

HAADTHIP



Good to  Great
One Report 2023



Vision

We are the leader in the beverage industry and committed to sustainable growth with the communities

Mission

1. To be a completely integrated beverage company and to maintain the leading position in the southern market, with revenue, sales and profits soaring on a continuous basis.
2. To continue to be the manufacturer, distributor and service provider of high quality products to customers and consumers, so that the Company is trusted as part of the South.
3. To ensure that the Company's personnel have integrity, perform their duties with loyalty and honesty; and have responsibilities to the organization and society as a whole.
4. To be an organization with good governance, through the creation and development of the type of personnel that the society needs; and taking part in the development and improvement of natural resources and environment in a responsible and sustainable manner.

Purpose

Continually increasing profitable, sustainable unit case sales of our products by satisfying new and existing consumers through excellent service to and with our customers at an increasing return

Value

We will create an organizational culture on the foundation of the following 10 values:

1. Integrity: To be loyal, honest, open and sincere
2. Individual Initiative: To be creative and to initiate new work ideas individually
3. Customer Value: To always focus on customers' needs and expectations and add value to their businesses
4. Teamwork: To work as a team and support co-workers in order to raise overall performance level
5. People Development: To create personnel of quality through continuous training and development process
6. Mutual Trust & Respect: To treat each other with respect and to be trustworthy
7. Commitment: To hold oneself responsible for and to perform the tasks as committed
8. Always be part of the South: To be responsible for the society and environment in order to leave no impact to later generations
9. Relationship Marketing: To continue to strengthen the relationship with customers, consumers and government agencies of all levels
10. Fun: To have good balance between life at work and personal life, and to work happily on a daily basis

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2023 Our Pride



Corporate Governance Assessment (CGR): An “Outstanding” 5-Star Rating in the Corporate Governance Survey Project of Thai Listed Companies

By the Thai Institute of Directors Association (IOD) Supported by Stock Exchange of Thailand In alignment with the vision “Leader of beverage industry through sustainable development,” our business endeavors at “Haadthip” are guided by a steadfast commitment to corporate governance excellence. We adhere to the principles of good corporate governance (GCG) across environmental, social, and governance dimensions, prioritizing the interests of all stakeholders while fostering sustainable growth in our operations.

1 of 193 Listed Companies in ‘SET ESG Rating’ List 2023 by the Stock Exchange of Thailand

Chosen by the Stock Exchange of Thailand as one of the 193 listed companies included in the SET ESG Ratings for the year 2023,

Haad Thip maintains its position on the list for the sixth consecutive year (2018-2023). Notably, this marks the inaugural year of announcing evaluation results through ratings, with Haad Thip achieving an AA rating, reaffirming our commitment to sustainability and responsible corporate practices.



“SET ESG Ratings” by “HAADTHIP”
at level

AA



The Human Rights Award in the Business Sector Category (Large) for Outstanding Achievement, consecutively for the third year, in 2023

Presented by the Rights and Liberties Protection Department, Ministry of Justice

The award showcased our unwavering commitment to upholding human rights principles throughout our operations. We prioritize human rights and equality for all stakeholders, setting a benchmark for other organizations.



Our dedication contributes to fostering a society built on sustainable respect for human rights and equality.

ESG 100 Certificate

Presented by Thaipat Institute

HaadThip is honored to receive the ESG 100 certificate from Thaipat Institute. This recognition coincides with our inclusion in the ESG100 list for 2023, marking six years (2015, 2019-2023) that we have been listed for our exceptional performance in ESG. Thaipat Institute meticulously evaluates and selects companies from the 888 securities listed on the Stock Exchange, placing HaadThip within the Agro & Food Industry group.





Change Agent Award 2023 Presented by the Thai Collective Action Against Corruption (Thai CAC) Thai Institute of Directors (IOD) Haadthip is honored to receive the Change Agent Award 2023 from the Thai Private Sector Coalition Against Corruption (CAC), Thai Institute of Directors Association (IOD).

This recognition reflects our steadfast commitment to conducting business in alignment with the principles of good governance. We prioritize transparency throughout our supply chain and actively encourage our business partners to join us in publicly declaring their commitment to combatting corruption alongside Thai Collective Action Against Corruption



Certificate of Recognition: Carbon Footprint of Organizations (CFO) and Carbon Footprint of Products (CFP) Presented by the Greenhouse Gas Management Organization (Public Organization), TGO Haad Thip is proud to announce the receipt of the Carbon Footprint of Organization (CFO) certification for both our Hat Yai and Poonpin factories, as well as the Carbon Footprint of Products (CFP) certification for 36 of our SKUs from the Thai Greenhouse Gas Management Organization (Public Organization) or TGO. These certifications underscore our commitment to measuring and mitigating our carbon footprint across our operations and products.



Honorary Certificate: Sustainability Disclosure Recognition Presented by Thaipat Institute HaadThip has been honored with the Sustainability Disclosure Recognition certificate from Thaipat Institute. This recognition was bestowed upon us at the 2023 Sustainability Disclosure Award ceremony, celebrating organizations that have demonstrated transparency by disclosing sustainability information encompassing economic, social, and environmental operations, as well as ESG (Environmental, Social, and Governance) issues to the relevant public and stakeholders.



Declaration of Honor: Model Organization for Road Safety in Industrial Estates and Private Sector Establishments Presented by the Thai Health Promotion Foundation. This prestigious award recognizes organizations for their exceptional efforts in road safety management services and the promotion of a road safety culture within their establishments.

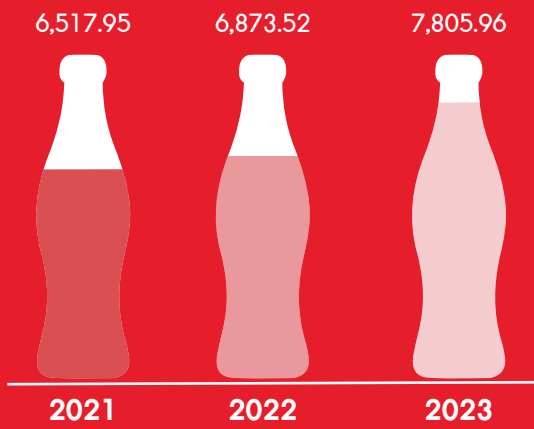
Financial Highlights



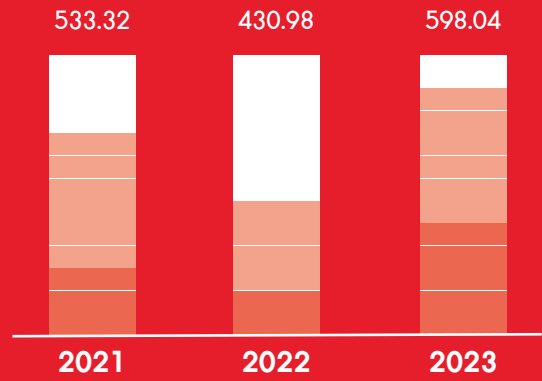
		2023	2022	2021
Statement of Income (THB million)	Revenue from Sale of Goods	7,805.96	6,873.52	6,517.95
	Cost of Sale of Goods	4,515.64	4,060.42	3,893.32
	Gross Margin	3,290.33	2,813.10	2,624.63
	Total Income	7,866.46	6,915.92	6,544.55
	Distribution Costs and Administrative Expense	2,595.63	2,255.42	2,010.68
	Profit for the year	598.04	430.98	533.32
Statement of Financial Position (THB million)	Total Assets	6,483.40	5,915.22	5,427.93
	Total Liabilities	2,554.01	2,161.81	1,814.03
	Equity attributable to owners of the parent	3,929.40	3,753.41	3,608.67
Shares or Information about Common Shares	Issued and Paid-Up Shares (Million Shares)	401.92 ^{/1}	200.96	200.96
	Dividend Payout Ratio to Net Income (%)	70.00	70.00	67.40
	Dividend per Share (Baht)	1.52	1.52	1.79
	Dividend Amount (Baht million)	418.00	305.46	359.72
Financial Ratio (THB)	Gross Profit Ratio (%)	42.15	40.93	40.27
	Net Profit Ratio (%)	7.66	6.27	8.18
	Return on Equity (ROE) (%)	15.57	11.71	15.17
	Return Total Assets (ROA) (%)	11.82	9.42	11.91
	Debt-to-Equity Ratio (D/E) (Times)	0.65	0.58	0.50

^{/1}The Extraordinary General Meeting of Shareholders No.1/2023 approved the change of par value from 1 Baht per par to 0.50 Baht per par. Therefore, registered and paid-up shares changed.

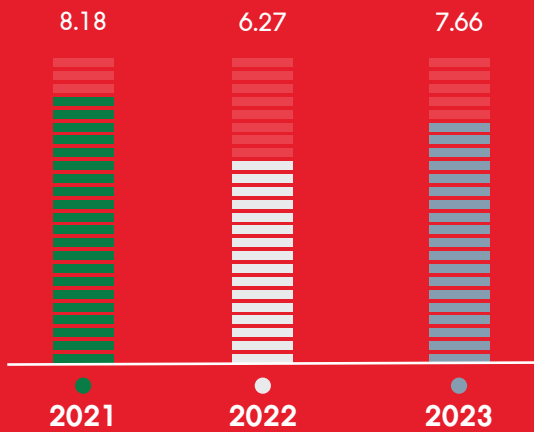
Revenue from Sale of Goods (Baht million)



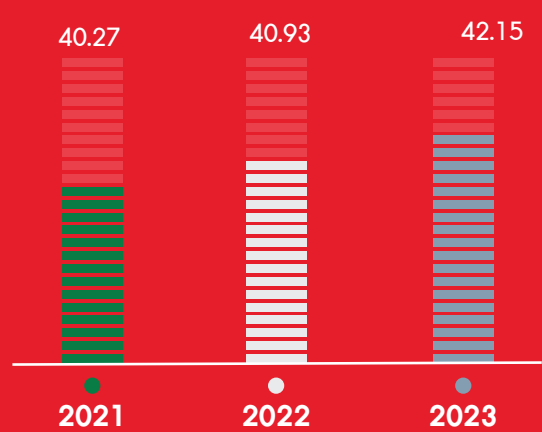
Profit for the year (Baht million)



Net Profit Ratio (%)



Gross Profit Ratio (%)



Dividend Amount (Baht million)



Message from Chairman of the Board and Chief Executive Officer



Dear Shareholders,

We extend our sincere gratitude to our customers, shareholders, employees, investors, and all stakeholders who have consistently provided invaluable support. In the preceding year of 2023, Thailand witnessed significant growth in tourism. A rising influx of tourists from diverse countries chose Thailand as their destination. The year saw a remarkable surge, with 28.2 million foreign tourists visiting, marking a substantial 154.4 percent increase from the previous year. Notably, the proportion of foreign tourists opting for accommodations in the southern region surged to 42.4 percent, surpassing the national average of 21.2 percent.

The Board of Directors, executives, and all employees of HaadThip Public Company Limited have remained steadfast in their commitment to collaboratively pursue our strategic plan, one that is not only effective but also adaptable to evolving circumstances. Our focus remains on meeting the dynamic needs of our customers while ensuring optimal returns for all stakeholders. Consequently, the Company maintains a robust financial position and achieved outstanding operational results throughout 2023. We are proud to assert our continued dominance in the soft drink market of the South, with market shares for Non-alcoholic Ready-to-drink (NARTD) and Sugar-sweetened soft drinks (SSD) standing at 24.9 percent and 79.3 percent, respectively, in 2023.

Business Operation 2023

The company is delighted to announce that in 2023, it achieved its highest operating results since its inception. Sales revenue soared to 7,806.0 million baht, representing a notable increase of 932.4 million baht or 13.6 percent compared to the same period in 2022. This remarkable growth was propelled by a total beverage sales volume of 69.8 million unit cases, marking an 8.5 percent surge from 2022. The uptick in income and sales volume can be attributed to the flourishing tourism business in the southern region. Furthermore, the company employed strategic measures to foster revenue growth, including product size and format adjustments, as well as optimizing distribution channels. The sugar-free product category exhibited strong growth, with the introduction of new flavors and the successful launch of products under the new brand, Ooha. The company's net profit, as indicated in the consolidated financial statements, stood at 598.0 million baht, reflecting an impressive increase of 167.1 million baht compared to the same period in 2022. This translates to a net profit of 2.26 baht per share.

To facilitate enhanced investor access to the company's securities, during the extraordinary shareholders' meeting on August 23, 2023, it was resolved to approve a change in the par value of the company's shares. The par value was adjusted from 1 baht per share to 0.50 baht per share, with the registered capital and paid-up capital remaining unchanged, effective September 7, 2023.



Gen. Charan Kullavanijaya

Chairman of the Board
Independent Director

Maj. Gen. Patchara Rattkul

Authorized Director
Chief Executive Officer
Chairman of Sustainability Committee
Chairman of Corporate Governance and
Risk Management Committee



Subsequently, the Board of Directors proposed the allocation of profits to distribute dividends for the 2023 operating results. Seventy percent of the profits for the year, as per the consolidated financial statements, will be disbursed at a rate of 1.52 baht per share, totaling 418.00 million baht. This amount exceeds the previous year's dividend by 112.5 million baht and represents the highest dividend payout since the company's inception. The company has already distributed interim dividends for the first six-month operating results, based on the issued and paid-up common shares of 200,960,500 shares, at a rate of 0.96 baht per share. Dividends for the latter six-month operating results, corresponding to the number of issued and paid-up common shares amounting to 401,921,000 shares, will be paid at a rate of 0.56 baht per share. Shareholders can expect to receive dividends on Monday, May 20, 2024, following approval from the shareholder meeting.

Modern technology with Focus on Environment

In March 2023, the company began commercial production on PET product production and packaging line no. 3 at the Poonpin Factory in Surat Thani Province. This innovative line can produce and fill 505 ml PET bottles at an impressive rate of 1,050 bottles per minute. A key strength of this machine is its cutting-edge technology, offering flexibility to quickly and easily adapt to various packaging sizes. This aligns perfectly with the company's strategic goal of becoming a total portfolio beverage company. Furthermore, the line incorporates energy-saving innovations throughout the production process. The commitment to clean energy extends beyond the production line, with the factory utilizing solar panels installed on and around the roof to power its operations.

In 2023, the company solidified its commitment to renewable energy by implementing a project to increase its reliance on these sources. Additionally, electronic meters have been strategically placed at various points within the factory to enhance efficiency in monitoring and controlling electricity usage. The company has also implemented a closed-loop water system, where water used for cleaning is treated and reused in the cleaning process, ensuring optimal water utilization.



Sustainable Business Operation

The company operates under the principle of sustainable development, demonstrating a strong commitment to integrating these practices into its core business activities. This dedication has been recognized by its inclusion in the Thailand Sustainability Investment (THSI) list for 2023, marking the 6th consecutive year as a sustainable stock within the Stock Exchange of Thailand's Agro & Food Industry group. This achievement underscores Haad Thip's unwavering focus on sustainable business growth for over 50 years in the southern region. The company prioritizes environmental responsibility, social well-being, and strong corporate governance (ESG) to ensure long-term operational efficiency and success.

Furthermore, Thaipat Institute's 2023 ESG100 list recognizes Haad Thip as a top performer in environmental, social, and governance (ESG) practices within the Agro & Food Industry group. This prestigious recognition marks the company's six year (2015 and 2019-2023) on the ESG100 list.

Commitment to Corporate Governance

In recognition of this dedication, the Company achieved a 5-star rating in the Corporate Governance Assessment (CGR), also known as "Excellent," in the Corporate Governance Survey Project of Thai Listed Companies conducted by the Thai Institute of Directors Association (IOD). This accolade marks the Company's first year receiving such an esteemed rating, signifying a significant milestone in its continuous efforts to elevate corporate governance standards in alignment with the principles of good corporate governance. The attainment of a 5-star rating underscores the Company's unwavering dedication to fostering transparency, accountability, and ethical conduct across all levels of operation. By prioritizing the interests of every stakeholder group and integrating sustainable practices into its business strategies, the Company endeavors to cultivate an efficient and responsible organizational framework that maximizes benefits for shareholders, stakeholders, and society at large.

Furthermore, the Company remains resolute in its ongoing efforts to combat corruption. Upholding transparency and integrity in all business dealings with related parties, the Company adheres rigorously to relevant laws and standards while actively supporting trading partners in adopting anti-corruption policies. This commitment is underscored by the Company's certification from the Private Sector Collective Action Against Corruption (CAC), which serves as a testament to its transparent operational ethos and fosters investor confidence in the stock exchange.

Moreover, the Company places significant emphasis on promoting and upholding human rights principles throughout its operations. It recognizes the importance of integrating human rights considerations into its organizational culture, thereby nurturing the potential of employees, business partners, and the entire supply chain.

Looking Ahead to 2024

As we enter 2024, the Company remains committed to retaining its position as the leading player in the southern region. This focus will ensure we not only maintain our current customer base but also strategically expand to acquire new customers, all while pursuing sustainable growth. We will achieve this by remaining dedicated to social and environmental responsibility, aligning with the goals we've consistently upheld. We will also implement flexible strategic plans to effectively adapt and respond to any unforeseen changes. A key focus for this coming year is on increasing operational and business management efficiency. This will involve adopting modern technology across various work processes to unlock our full potential. We will also prioritize upskilling our employees to enhance their capabilities in both organizational and operational areas. In all our endeavors, we consider all stakeholders, including shareholders, customers, partners, communities, and employees.

On behalf of the Board of Directors, we extend our sincere gratitude to our shareholders, employees, investors, customers, and business partners - both private and government agencies, as well as all those who have supported our company's operations. We would like to specifically acknowledge our dedicated employees and reiterate the importance of their continued hard work and collaborative spirit. It is this collective effort that will propel our organization forward with unwavering strength. Moving forward, we seek continued support from all of you - every sector - to maintain our current success. We want you to have unwavering confidence in our potential. We remain dedicated to sustainable business growth, supported by our strong financial position. Transparency and adherence to good governance principles remain at the forefront of our operations, ensuring value creation for the company, society, and all stakeholders.



Gen. Charan Kullavanijaya

Chairman of the Board
Independent Director

Maj. Gen. Patchara Rattkul

Authorized Director
Chief Executive Officer
Chairman of Sustainability Committee
Chairman of Corporate Governance and
Risk Management Committee

The Board of Directors

As of December 31, 2023



Gen. Charan Kullavanijaya
Chairman of the Board
Independent Director



Maj. Gen. Patchara Rattakul
Authorized Director
Chief Executive Officer
Chairman of the Sustainability Committee
Chairman of the Corporate Governance
and Risk Management Committee



Mr. Prakrit Pradipasen
Independent Director
Chairman of the Audit Committee



Mr. Philipp Hugo Gutsche
Director
Member of the Nomination
and Remuneration Committee



Mr. Johan Willem Maarten Jansen
Independent Director



Mrs. Pariya Chirabandhu
Authorized Director
Member of the Nomination and
Remuneration Committee



Mr. Yanyong Maethapanich
Independent Director
Chairman of the Nomination and
Remuneration Committee
Member of Audit Committee
Member of the Corporate
Governance and Risk Management
Committee



HAADTHIP



M.L. Dhisana Sritavaj
Director



Mr. Dumrongrugs Apibalsawasdi
Authorized Director
Member of the Corporate Governance
and Risk Management Committee
Member of the Sustainability Committee



Mrs. Kerry Ann Shipp
Director



Pol. Gen. Jaruvat Vaisaya
Director



Mr. Pongsakorn Thiengham
Director



Mr. Swin Chatsuwon
Independent Director
Member of the Audit Committee



Mr. Pakorn Sukhum
Director





PART **1**

Business Overview



1 Business Structure and Operation

1.1 Business Overview

Background

In 1969, Soft drink trademark “Coca-Cola” was officially established in the South under the name of the manufacturer and distributor of “NakhonThip Company Limited”, initially licensed for manufacturing and distributing Coca-Cola drinks in 3 southern provinces, namely Songkhla, Satun and Yala.

Later in 1974, the management was taken over under supervision of Sec. Lt. Phairoch Rattakul, Managing Director and Board of Directors with Her Royal Highness Princess Suthasiri Sopha as the President, Mrs. Wilai Rattakul, as the Chairman of the Board of Director on behalf of Thai Thana Co., Ltd.

- ▶ **In 1978**, Thai Thana Company Limited and NakhonThip Company Limited agreed to jointly establish a new company under the name of “HaadThip Company Limited” and received direct license from the Coca-Cola Company (USA) to become a producer and distributor of Coca-Cola beverages in 11 more provinces, totaling 14 provinces, namely Songkhla, Satun, Yala, Chumphon, Ranong, Krabi, Phuket, Phang Nga, Trang, Phatthalung, Surat Thani, Nakhon Si Thammarat, Pattani, Narathiwat.
- ▶ **In 1988**, HaadThip Company Limited (“the Company”) listed its common shares into the Stock Exchange of Thailand. The objective was to mobilize funds for business expansion and providing opportunities for employees of the Company including southerners to share the ownership. The Company’s common shares were listed and traded in the Stock Exchange of Thailand for the first time on 22nd December 1988. In 1994, the company was registered as a Public Company Limited according to the Public Limited Law Act B.E. 2535 under the name “HaadThip Public Company Limited”

After Her Royal Highness Princess Suthasiri Sopha Chairman had passed away on 2nd February 1998, the Board of Directors was resolved to appoint Gen. Charan Kullavanijaya to become the Chairman of the Board on 25th May 1998.

- ▶ **In 2005**, The Company selected Coca - Cola Indochina Pte. (CCI), a subsidiary owned completely by Coca-Cola SABCO (Pty) Ltd. (CCS), a Coca-Cola operator in Africa and Asia to become a business partner. Coca-Cola Indochina Pte. (CCI) held shares in the Company not over 24% of the issued and paid-up capitals. Upon acquisition of shares, Coca-Cola Indochina Pte. (CCI) had a policy not to get involved with or participate in management but would use experiences, existing expertise to support and drive the Company to move forward with strength and steadfastness.
- ▶ **In 2011**, the Company’s shareholder structure experienced some shifts as Coca-Cola Indochina Pte. Limited (CCI) had transferred 39,723,600 shares, or 23.93% to Coca-Cola SABCO East Africa (CCSEA). The shift in shareholding of the major shareholders was just a restructuring movement in the Coca-Cola SABCO group. There was no any significant change in the management structure of the company. In 2016, there was another restructuring in the Coca-Cola SABCO group as they transferred all the shares in its ownership to Gutsche Family Investments (Proprietary) Limited.
- ▶ **In 2012**, the Company decided to construct the second factory in Amphoe Phunphin, Surat Thani Province and invest in machinery for the new production line (New PET Line) to increase capacity in PET packaging. In this investment the Company, apart from taking loans from financial institutions issued and offered 33,203,000 new common shares for sales with a par value of 1 baht per share, to existing shareholders at a ratio of 5 existing shares to 1 new share at the price of 7.00 baht, resulting in capital increase in the amount of Baht 232,421,000.00 (two hundred thirty-two million four hundred twenty-one thousand baht only).

The Company started the construction of the first phase of the second factory on 15th May 2012 and installed the machine in early 2013 to function in a PET Filling Line for soft drink and drinking water production with production capacity of 600 bottles per minute or 36,000 bottles per hour. The first batch of soft drinks and drinking water officially left the new conveyor belt to the market in the fourth quarter of 2013.

- ▶ **In 2015**, the Company and its subsidiaries invested in installing additional machines at the Phunphin Production Plant, deemed as the second phase of investment by purchasing PET filling line (PET beverage filling machine) with a capacity of 600 bottles per minute or 36,000 bottles per hour and Plastic Injection Machine (PET Preform molding machine) with a capacity of 500 pieces per minute or 30,000 pieces per hour as a preparation for the highly dynamic market in summer 2016.

On 22nd December 2018, Sec. Lt. Phairoch Rattakul, Managing Director and Founder of the company passed away.

On 21st January 2019, the Board of Directors appointed Maj. Gen. Patchara Rattakul, the second generation heir to take the position of Chief Executive Officer according to the succession plan that had been laid before.

- ▶ **In 2022**, the Company constructed the 2nd production building of plant at Punpin, Suratthani to expand the increasing needs in future and to install new PET production line with technology, modern, fast and able to produce a variety of PET packages. Moreover the line has energy saving technology and focuses on the usage of clean energy from solar cells in plant and plant area.

- ▶ **In 2023**, new PET machinery line started its production. The line had new technology and was fast and increased the highest production capacity from 45 MPC per year to 78 MPC per year.

For the investors to be able to invest in shares of the Company more, the Extraordinary General Meeting of Shareholders No.1/2023 approved the change in the par value of the Company's shares, by the change in the par value of the Company's shares to be 0.50 Baht per share, resulting in the increase of registered shares to be 402,420,360 shares and paid-up shares of 401,921,000 shares while register capitals and paid-up capital to maintain at 201,210,180.00 Baht and 200,960,500.00 Baht, respectively.

Since the management of the management team led by Sec. Lt. Phairoch Rattakul, Managing Director to the new generation of executives, Maj. Gen. Patchara Rattakul, Chief Executive Officer, the Company has been continuously developed and made a progressive growth. From the start with only 60 employees and 4 cars for sale, currently as of 31st December 2023, the Company and its subsidiaries have more than two thousand employees altogether. There are 2 production plants, namely the first plant located in Hat Yai, Songkhla, and the second plant located in Punpin, Surat Thani with total sales of 69.8 million unit cases, sales revenue of Baht 7,806.0 million, net profit of Baht 598.0 million, total assets of Baht 6,483.4 million, total liabilities of Baht 2,554.0 million and shareholders' equity of Baht 3,926.4 million. HaadThip's market shares of non-alcoholic beverages and soft drinks were 24.9 percent and 79.3 percent, respectively.

The Company managed to maintain its leadership through innovation in terms of products and packaging with a commitment to sustainable business, in order to become an organization with social and environmental responsibilities.

Currently, the Company has registered capital in amount of 201,210,180.00 baht (two hundred and one million two hundred and ten thousand one hundred and eighty baht only), wherein 201,210,180 are common shares with a par value of 0.50 baht per share, and paid-up in amount of 200,960,500.00 baht (two hundred million nine hundred sixty-five hundred baht only) and paid-up shares of 401,921.000 shares.

1.1.1 Vision, Purpose, Goal or Business Strategy

The board has reviewed and mutually identified vision, mission, purpose and value of the organization for all levels of staff to abide with. They are as follows.



Vision

We are the leader in the beverage industry and committed to sustainable growth with the communities.



Mission

- 1 To be a completely integrated beverage company and to maintain the leading position in the southern market, with revenue, sales and profits soaring on a continuous basis.
- 2 To continue to be the manufacturer, distributor and service provider of high quality products to customers and consumers, so that the Company is trusted as part of the South.
- 3 To ensure that the Company's personnel have integrity, perform their duties with loyalty and honesty; and have responsibilities to the organization and society as a whole.
- 4 To be an organization with good governance, through the creation and development of the type of personnel that the society needs; and taking part in the development and improvement of natural resources and environment in a responsible and sustainable manner.

In order to achieve the objective that the Company continually increases profitable, sustainable unit case sales of our products by satisfying new and existing consumers through excellent both direct and indirect service to and with our customers at an increasing return with 10 following Values:

- | | |
|--------------------------------|--|
| 1. Integrity | To be loyal, honest, open and sincere |
| 2. Individual Initiative | To be creative and to initiate new work ideas individually |
| 3. Customer Value | To always focus on customers' needs and expectations and add value to their businesses |
| 4. Teamwork | To work as a team and support co-workers in order to raise overall performance level |
| 5. People Development | To create personnel of quality through continuous training and development process |
| 6. Mutual Trust & Respect | To treat each other with respect and to be trustworthy |
| 7. Commitment | To hold oneself responsible for and to perform the tasks as committed |
| 8. Always be part of the South | To be responsible for the society and environment in order to leave no impact to later generations |
| 9. Relationship Marketing | To continue to strengthen the relationship with customers, consumers and government agencies of all levels |
| 10. Fun | To have good balance between life at work and personal life, and to work happily on a daily basis |

2023 Operational Goals and Achievements

The company operates with a focus on both short-term and long-term goals, establishing operational objectives annually and developing consistent strategies for their achievement.

- **In 2023, the key operational goals for the main businesses included:**
 - o Achieving a 10-11% increase in sales revenue compared to 2022.
 - o Implementing effective cost management practices.
 - o Revenue Growth Management.

- **Target Achievements for 2023:**
 - o Sales revenue for the fiscal year 2023 exhibited a growth of 14% compared to 2022
 - o Continual focus on cost management
 - o Revenue Growth Management was successfully executed, encompassing strategic product size management across various channels such as HORECA (Hotel, Restaurant, and Catering), convenience stores, and others. These efforts were particularly responsive to the evolving demands stemming from the notable growth observed in the tourism industry during 2023.

Long-Term Strategy

In 2023, the Thai economy exhibited a continued recovery trajectory. With the gradual subsiding of the COVID-19 epidemic, which has transitioned into an endemic phase, various initiatives were undertaken to bolster the tourism sector. These included the removal of visa requirements for Chinese tourists and measures aimed at reducing energy costs. These initiatives have notably impacted domestic consumption and businesses associated with tourism, such as airlines, food and beverage establishments, and hotels. While these factors are expected to drive an increase in the Company's sales, it is important to acknowledge the persistent pressure stemming from economic uncertainty, political policies, inflation rates, and geopolitical conflicts, which can influence energy prices.

Despite these challenges, the Company remains vigilant, closely monitoring the dynamic economic landscape and business environment. Our commitment to adaptability is reflected in our continuous review and flexible adjustment of business plans to align with prevailing conditions. Our revised business strategy is designed to foster sustained growth and ensure the Group's profitability remains in line with our overarching goals. This approach enables us to effectively navigate uncertainties and economic fluctuations, while also remaining adaptable to forthcoming changes. With a focus on long-term sustainability, the Company has outlined strategic initiatives aimed at fortifying our foundation and advancing towards our enduring objectives, which include:

1. Enhancing Resilience in Evolving Landscapes:

Throughout the preceding year, the Company's operational performance mirrored the trajectory of the broader Thai economy, exhibiting alignment with ongoing recovery efforts within the consumption and tourism sectors following the aftermath of the COVID-19 outbreak. However, the enduring impact of the pandemic has engendered a swiftly shifting market environment characterized by Volatility, Uncertainty, Complexity, and Ambiguity (VUCA), presenting novel challenges. Nonetheless, the Company maintains a steadfast confidence in its ability to surmount these obstacles, underpinned by a robust foundation, driving towards robust and sustainable growth in pursuit of our organizational vision.

For the fiscal year 2024, our commitment to fostering continuous growth across all fronts remains unwavering. Central to this endeavor is the strategic expansion of our consumer base, the augmentation of market share, and the enhancement of sales and revenue streams. Moreover, our unwavering dedication to continuous technological advancement underscores our commitment to bolstering competitiveness and operational efficiency. By harnessing modern technology across diverse work processes, we aim to amplify our operational potential, augmenting both the speed and accuracy of data processing and analysis to facilitate informed decision-making. This approach not only ensures our agility in addressing evolving consumer needs but also serves to elevate the capabilities of our organizational workforce.

2. Ensuring Steady and Strategic Business Expansion

The Company remains steadfast in its commitment to upholding core values and pursuing strategic objectives aimed at fostering stable and appropriate business growth. Central to this endeavor is the proactive pursuit of new opportunities for expansion, leveraging the Company's inherent strengths and resources to synergize and reinforce capabilities that can effectively meet the demands of diverse industries or markets. This strategic approach encompasses a comprehensive review of business operations, coupled with prudent decision-making to ensure alignment with overarching objectives. In line with this commitment, the Company has undertaken decisive measures to optimize operational efficiency and enhance financial stability. This includes the strategic decision to streamline operations by closing three subsidiaries, a move aimed at mitigating adverse impacts on the organization's overall financial health. Such strategic initiatives enable the Company to reallocate resources effectively, thereby sharpening its focus on identifying and capitalizing on new business prospects and developmental avenues, ultimately enhancing operational efficiency within the Company's core operations.

Non-Alcoholic Beverage Business Outlook

Following the resolution of the COVID-19 outbreak, there has been a notable surge in demand for products and services, surpassing the previous year's levels. The resurgence of tourism and related industries, including restaurants, hotels, and retail establishments, is poised for exponential growth. Moreover, the anticipated agreement between the Thai and Chinese governments in 2024 to facilitate 'Free Permanent Visa' arrangements is expected to further catalyze this growth trajectory. It is anticipated that these guidelines will come into effect on March 1, 2024, following the period during which Thailand has implemented 'Free Temporary Visa' provisions for Chinese tourists, from late September 2023 until February 29, 2024. The Tourism Authority of Thailand (TAT) has forecasted a substantial influx of Chinese tourists, exceeding 8 million individuals, a figure reminiscent of pre-COVID-19 levels. These developments collectively signal a positive outlook for the Company's operational performance, aligning with the imperative of long-term sustainable growth. In response to these promising prospects, the Company has outlined strategic operational guidelines as follows:

1. Cultivating a Comprehensive Product Portfolio and Enhancing Consumer Experiences

The recent onset of the COVID-19 pandemic has triggered significant shifts in consumer behavior across the contemporary landscape. Amidst this transformation, diverse and multifaceted needs have emerged, underscored by an amplified emphasis on healthcare and well-being.

As a prominent producer and distributor of beverages under the esteemed Coca-Cola brand, particularly renowned in the southern region, our steadfast commitment remains deeply rooted in comprehending evolving market dynamics and adeptly addressing the evolving needs of consumers. Consequently, the Company is resolutely focused on the development and expansion of a holistic product portfolio, meticulously tailored to cater to an array of consumer preferences and lifestyle choices. This strategic endeavor is geared towards offering a versatile range of options designed to seamlessly integrate into consumers' daily routines, aligning with the discerning tastes and preferences of the contemporary generation seeking novel experiences. Our product lineup encompasses a diverse array of sizes, thoughtfully curated to cater to various consumption occasions, complemented by modern flavor profiles that strike an optimal balance between freshness and health consciousness. Notably, our introduction of products boasting reduced sugar content and zero sugar or calorie formulations, positioned under the Healthier Choice banner, underscores our unwavering commitment to meeting the evolving preferences of health-conscious consumers, with a particular focus on the burgeoning new generation and tourist demographics.

Moreover, the Company remains steadfast in its efforts to reinforce and differentiate its market presence through strategic collaborations with an array of food and beverage partners, including diverse food stores. These collaborative endeavors are strategically aligned to fortify our market positioning, elevate the overall customer experience, and unlock sales opportunities across both existing and nascent customer segments. Through synergistic efforts in business operations and marketing activities, we aspire not only to expand our reach to new customer demographics but also to deepen engagement and loyalty within our existing customer base.

2. Fostering Collaborative Growth with Partners to Attain Company Objectives

A pivotal determinant of the Company's leadership status across 14 provinces in the southern market hinges upon fostering robust relationships with trading partners within the dynamic landscape of the southern market, characterized by longstanding alliances with numerous trading partners, cultivating strong rapport assumes paramount significance. This facet serves as a crucial variable in effectively showcasing and delivering a diverse array of products, promotions, and core company values to consumers, thereby catalyzing sales growth and expanding market reach.

Central to the Company's operational ethos is a concerted focus on nurturing collaboration with business partners. This entails a steadfast commitment to fortifying sales and distribution channels, amplifying the visibility of product display freezers, and extending coverage across all sales territories. Moreover, a strategic initiative involves enhancing the aesthetic appeal of product display freezers to reflect a modern and captivating ambiance, while concurrently optimizing energy efficiency measure poised to positively influence consumer perceptions and purchasing behaviors. By equipping these stores with enhanced infrastructure and aesthetics, the Company endeavors to curate enriching consumer experiences, thereby fostering customer satisfaction and loyalty.

3. Improving operational efficiency and expanding production capacity

The key factors that enable the company to sustain and maintain good sales and profit margins are that the Company is still committed to continuous technological development, investing in new technology to increase competitiveness and operational efficiency, emphasizing data-driven decision-making by applying cutting-edge technology to various work processes to increase the potential of work by focusing on collecting and analyzing in-depth data specific to each area in order to manage sales and marketing operations to be efficient and relevant to target groups. The emphasis is also placed on understanding the market environment and consumer behavior that is changing rapidly as best as possible. There are uncertainty, volatility and new challenges closely along with being able to adjust marketing strategies quickly, appropriately, and in a timely manner

The Company recognizes the opportunity and significance of expanding the production capacity for the plastic bottle production line (PET Bottle) through increased investment in modern machinery, ensuring heightened efficiency and environmental friendliness. This strategic investment aims to bolster production capacity, thereby facilitating swifter production and mitigating stock shortages, consequently lowering overall production costs and minimizing losses incurred during the production process. Simultaneously, heightened productivity will be achieved as the company can curtail the duration of production line stoppages for unnecessary maintenance. Moreover, this enhancement in production capacity will lay a robust foundation to support future sales expansion initiatives while concurrently reinforcing the company's commitment to delivering environmentally friendly products to consumers.

4. Opportunities for Future Growth and Sustainability

In its pursuit of sustainable development, the Company remains steadfast in its commitment to environmentally friendly practices, prioritizing the quality of the production process while minimizing its environmental footprint. Central to this endeavor is the overarching goal of reducing greenhouse gas emissions and advancing the principles of the circular economy.

To further these sustainability goals, the Company has made strategic investments in a new glass bottle packaging production line, encompassing both Returnable Glass Bottles (RGB) and non-returnable glass bottles (NRGB). This proactive step aligns with the Company's foresight, anticipating significant growth opportunities in glass bottle packaging, which serves as a cornerstone of the circular economy, particularly in the realm of sustainable packaging. This investment not only fosters stability but also ensures efficient resource utilization, while concurrently addressing packaging management and facilitating the reduction of plastic usage. Consequently, these initiatives directly contribute to minimizing environmental impact and fulfilling the company's social responsibility commitments.

Subsidiary Business Group

In 2023, the Company undertook strategic initiatives aimed at enhancing business efficiency, leading to the decision to close three subsidiaries.

- Haadthip Commercial Company Limited
- HaadThip Food and Beverages Company Limited
- Kin Dee Yu Dee 2020 Company Limited

This decision was driven by strategic alignment and various factors, including unprecedented challenges stemming from the global COVID-19 outbreak, which significantly impacted businesses across industries. In response, the Company meticulously reviewed its business operations and made strategic decisions to navigate the volatile and constantly evolving economic landscape.

A subsidiary primarily engaged in the buying and selling of food and beverages encountered significant challenges stemming from disruptions in the supply chain, evolving consumer preferences, logistical constraints, and various governmental restrictions imposed to mitigate the spread of COVID-19. These factors collectively posed considerable difficulties for the subsidiary, hindering its effectiveness in maintaining operations. Moreover, the subsidiary grappled with financial repercussions induced by the COVID-19 outbreak, including decreased income and escalated operating costs. Despite earnest efforts to adapt and mitigate the pandemic's impact through various measures, such as cost reduction initiatives and operational adjustments, a thorough evaluation revealed that the subsidiary's long-term viability was compromised. Consequently, a strategic decision was made to close the subsidiary.

Looking ahead in the long term, the Company and its subsidiaries that are still in operation have closely and regularly monitored the operating results in order to be able to respond and adjust operational strategic plans to suit the current business environment in an appropriate and timely manner.

Despite concerted efforts to adapt and mitigate the impact of the pandemic through cost reduction measures and operational adjustments, the decision to close the subsidiary was deemed necessary. While acknowledging the difficulty of this decision, it ultimately grants the company greater flexibility and agility in navigating economic shocks. The closure process was meticulously managed to mitigate any adverse effects on the organization's overall financial stability. These strategic actions are poised to optimize existing resources and redirect focus towards new investments and developments aimed at enhancing operational efficiency within the company's core business.

1.1.2 Major changes and developments (Milestones)

2021

- ▶ Coca-Cola Zero Sugar Relaunch
- ▶ Revised Code of Conduct to be applied in all affiliated companies
- ▶ Another subsidiary, HaadThip Development Company Limited (HTD) approved to operate the Haven Kanjanavanich at Amphoe Klongya, Hat Yai, Songkhla. A housing project on an area of approximately 15 rai with 65 houses (units), land size of 148-240 sq.m., project value of Baht 320 million.
- ▶ Purchase of land and fixtures at 36/6 Soi Ramkhamhaeng 21 (Nawasri) Intersection 5, Kwaeng Phlapphla, Wang Thonglang, Bangkok 10310, with the total area of 4 ngan, 78.1 sq.wah to be the site of Bangkok office besides Ekamai office.
- ▶ The Company' membership of the Private Sector Collective Action Against Corruption (CAC) was recertified the for a second consecutive period. This re-certification is valid for 3 years from the date of approval on 30th June 2021. The 3-year certification period expires on 30th June, 2024.
- ▶ The company invested in expanding the production capacity of new PET Line at Punpin Production Plant, Surat Thani Province in preparation to meet demand for higher production volumes that is expected to increase around the beginning of 2023. The investments included the construction of new buildings, both in the office space and in the area to be used as the location of 3 new production lines. The estimated investment in capacity expansion amounted approximately Baht 1,200 million.

2022

- ▶ The Company expanded Zero-Sugar products to new flavor such as Coca-Cola starshine No Sugar, Coca-Cola Marshmallow No Sugar, Schweppes Citrus Raspberry Soda Zero Sugar, Schweppes Pineapple Mojito Soda No Sugar, and Sprite Lemon Plus No Sugar
- ▶ The Company increased prices of some product packages for approximately 6%, starting from August 2022.
- ▶ The Company increased the production capacity, new PET line at Punpin Plant, Surat Thani Province which is expected to run commercially in Quarter 1, 2023.
- ▶ A subsidiary, HaadThip Development Limited (HTD) launched housing project, the Haven Kanjanavanich, comprised of 65 units and price range between Baht 4-6 million per unit. The project is selling in phases. As of 31st December 2022, 1st Phase was booked for 69%.

2023

- ▶ The dissolution of three subsidiaries:
In February 2023, the Board of Directors approve to dissolve 3 subsidiaries, HaadThip Commercial Limited, HaadThip Food and Beverages Limited and Kin Dee Yu Dee 2020 Limited as a result of the continued operating losses of the subsidiaries. The Companies ceased their operations during 2023 and is on the process of liquidating.
- ▶ Commissioning of 3rd PET Line:
In March 2023, the company commissioning 3rd PET Line at the Punpin factory in Surat Thani. This line is designed to cater to the growing market demand for non-alcoholic beverages. It can manufacture and package beverages in 505 ml bottles at a speed of 1,050 bottles per minute. The machinery is equipped with state-of-the-art technology, offering flexibility in packaging sizes and rapid adaptability while saving energy. This move aligns with the company's strategy to become a total portfolio beverage company.
- ▶ Commissioning of 3rd Injection Machine
To bolster the expansion of our PET product line, the company successfully implemented a new injection machine at the Punpin factory in Surat Thani in December 2023. This machine has a capacity of producing 350 million preforms annually. This will give us total output of 1 billion pieces per annum.
- ▶ Product Price Adjustment:
In April 2023, the Company increased some soft drink favors and categories for an average of 1.5% price increase.
- ▶ New product, OOHA to support the expansion of zero-sugar soft drink:
In May 2023, the Company launched new brand, OOHA, fruit flavored soda zero sugar with 2 flavors, OOHA Lychee Yogurt flavored soda and Lemon & Sea Salt Flavored Soda which received well response. The Company expanded their distribution channel from convenient stores to Supermarket and Hypermarket.
- ▶ The change of the par value of the ordinary shares of the Company:
The Board of Directors' Meeting on 7 July 2023 approved the change of the par value of the ordinary shares of the Company from 1 Baht per share to 0.50 Baht per share. The Registered Capital and Paid-up Capital remained the same. The Extraordinary General Meeting of Shareholders on 23 August 2023 approved the change, effective on 7 September 2023.
- ▶ Recycled PET (RPET) launch:
Due to the policy of the Company for sustainability growth and environment awareness, in October 2023, the Company started to use packaged from 100% recycled plastic, excluding the labels and lids, starting from 1 liter original flavored Coke and Zero Sugar Coke which met the standard of food safety from Thailand's Food and Drug Administration and the standard of world class production of Coca-Cola under the Company's idea of World Without Waste. With the support of the sustainability, the packages of Coca-Cola are targeted to be 100% recycled within 2025 and used at least 50% recycled materials within 2030.
- ▶ CG Score Rating "Excellent"
The Company received Corporate Governance (CG) score rating, "Excellent" in 2023 with the average of 96% from the Thai Institute of Directors Association (IOD), supported by the Stock Exchange of Thailand. There were total of 782 listed companies for the assessment of the rating.

2023

▶ Fleet Safety Management:

To improve road safety, we installed a Telematic system in 35% of our fleet. This system enables real-time monitoring of driving performance, control and safety, asset care and cost savings.

▶ Sustainability:

Confirmed commitment to increase the use of renewable energy up to 17% in 2024. Multiple electronic meters were installed allowing intensified visibility on isolated equipment to monitor energy consumption. Effluent stemming from vehicle cleaning is now 100% recyclable.



1.1.3 General Information

Company's Name	>	HaadThip Public Company Limited
Abbreviation	>	HTC
Registration Number	>	0107537002206
Registered Capital	>	402,420,360 ordinary shares at a parvalue of Baht 0.50 per share Totaling Baht 201,210,180
Issued and Paid-up Capital	>	401,921,000 ordinary shares Totaling Baht 200,960,500
Nature of Business	>	Sparkling Beverage Industry
Head Office	>	87/1 Karnchanavanich Road, Baan Pru, Hat Yai, Songkhla 90250 Tel: (074) 210-008-18, (074) 210-025-33 Fax: (074) 209-240-1, (074) 439-644-53 Fax: (074) 210-006-7
Punpin Office	>	206/1 Moo 3, Tha Rong Chang, Punpin , Surat Thani 84130 Tel: (077) 357 - 385-89 Fax: (077) 313 - 640
Bangkok Office	>	36/6 Soi Ramkhamhaeng 21 (Navasri), Yaek 5, Phlabphla, Wang Thonglang, Bangkok 10310 Thailand Tel: 0 2391 4488 Fax: 0 2381 2257 30 Ekkamai 10 Alley, Yaek 2 Sukhumvit 63, Khanong Nuea, Watthana, Bangkok 10110 Tel: 0 2391 4488 Fax: 0 2381 2257
Website	>	http://www.haadthip.com
Accounting Period	>	1 January - 31 December

1.2 Nature of Business and Industry Trend

HaadThip Public Company Limited is a sparkling beverage manufacturer, granted a franchise by the Coca-Cola Company (USA), Atlanta Georgia, as a producer and distributor of sparkling beverages under the trademarks of “Coca-Cola”, “Fanta” and “Sprite” and other products owned by Coca-Cola Company such as Minute Maid and utilized capacity drinking water. The details of business contract are as follows:

Contract Type	Bottling and distributing sparkling beverages under the trademarks of “Coca-Cola” “Fanta”and “Sprite”and other products owned by Coca-Cola Company.
Contract Partner	The Coca-Cola Company
Contract Starting and Ending Dates	1 st January 2020 - 31 st December 2024 (Renewal every 5 years)

The Company has 2 manufacturing plants located in Amphoe Hat Yai, Songkhla and Amphoe Punpin, SuratThani, with the products distributed exclusively to 14 southern provinces of Thailand namely Songkhla, Satun, Yala, Chumphon, Ranong, Krabi, Phuket, Phang-nga, Trang, Phattalung, Surat Thani, Nakhon Si Thammarat, Pattani and Narathiswat.

The Company manufactures products for sales and purchases some products from a business partner in Bangkok to distribute. The Company’s products are categorized as following:

1. Sparkling Beverages: “Coca-Cola”, “Fanta” and “Sprite”
2. Non-carbonated (Still Beverages): “Minute Maid” and drinking water “Namthip”

The Company’s main source of revenue is derived from the sales of sparkling beverages.

1.2.1 Revenue Structure

Detail	2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Sparkling beverages	7,181.95	91.30	6,444.45	90.86	6,033.80	92.20
Non-carbonated products	567.27	7.21	429.05	6.05	324.37	4.96
Other sources	117.24	1.49	219.04	3.09	186.38	2.84
Total revenue	7,092.54	100.00	6,544.55	100.00	6,444.09	100.00

1.2.2 Product Profile

(1) Product or Service Features and Business innovation development

HaadThip Public Company Limited is a manufacturer and distributor of products under the trademark of “Coca Cola” (exclusively 14 in the southern provinces). The main products can be divided into 2 categories:

1. Sparkling Beverages including products under the trademarks “Coca-Cola”, “Sprite”, “Fanta”, “Schweppes”, “A&W” and “OOHA”



2. Still Beverages including products under trademarks “Namthip”, “Bon Aqua”, “Minute Maid”, “fuzetea”.



Apart from Sparkling beverages and Still beverages, the Company’s products are also categorized based on the packaging as follows:

1. RGB (Returnable Glass Bottle) including 10oz or 280 ml. Returnable Glass Bottles.
2. Non-returnable Glass Bottle (NRGB) including Non-returnable Glass Bottled products, PET bottles, cans, boxes and post mix.



Currently, the Company is promoting and expanding no-sugar group of products to create higher revenue growth such as Coca-Cola No Sugar, Fanta No Sugar, Sprite No Sugar and Schweppes Lime Soda Zero Sugar. Zero Sugar category expanded to other flavors such as Coca-Cola Starshine, Coca-Cola Marshmallow No Sugar, Schweppes Citrus Raspberry Soda No Sugar, Schweppes Pineapple Mojito Soda No Sugar and lately Sprite Lemon Plus No Sugar, OOHA Lychee Yogurt Flavored Soda, OOHA Lemon Sea Salt Flavored Soda and Coca-Cola® Move



Product Development

The Company has developed and designed more on no-sugar sparkling beverages such as Zero Sugar category expanded to other flavors such as Coca-Cola Starshine, Coca-Cola Marshmallow No Sugar, Schweppes Citrus Raspberry Soda No Sugar, Schweppes Pineapple Mojito Soda No Sugar and lately Sprite Lemon Plus No Sugar. In 2023, the Company launched new no-sugar sparkling beverages, Coca-Cola® Move which co-designed the flavor idea with famous Spanish artist, Rosalia, OOHA Lychee Yogurt Flavored Soda and OOHA Lemon Sea Salt Flavored Soda.

Production Innovation

In collaboration with its partners, the Company has continually developed equipment, tools, machines and raw materials to increase production efficiency as ultimate goals as well as other goals stated in the Company’s sustainability policy, which are

- Designing proper production equipment, tools and machinery to enable the Company to produce goods and products with the utmost economic values and sustainability on regular basis.
- Continuous weight reduction of packing materials.
- Applying Solar energy in operating process

(2) Market and Future Competitive Environment

Major players in the soft drink industry in Thailand at present comprise of ThaiNamthip Corporation Limited. a manufacturer and distributor of Coca - Cola products in all regions of the country, in exception of the 14 southern provinces covered by HaadThip Public Company Limited; Pepsi - Cola (Thai) Trading Company Limited, a manufacturer and distributor of “Pepsi”; Serm Suk Public Company Limited, a manufacturer and distributor of “Est Cola”; AJETHAI Co., Ltd., a manufacturer and distributor of Big Cola, and 2 - 3 other small operators in the industry.

The soft drink industry in Thailand is an oligopoly by nature. It is considered difficult for a new operator to enter the industry because high level of investment is inevitable for the purchase of machinery, creation of demand in the market, as well as investment in building structures such as plants and warehouses, in addition to sales and distribution vehicles. The characters of the products in the market also do not differ much, and so from the consumers’ point of view, each and every product is substitutable. As such, each operator is making an utmost effort to differentiate their products from the others, be it the taste of the products, the image of the products or the image of the Company, especially through regular introduction of new products to the market. Sparkling beverage industry is currently a highly competitive industries, therefore, each Company is in need for adjustment and adaptation at all times. As a result, each bottler is placing great emphasis on continuous marketing activities throughout the year, in order to maintain exposure and brand recognition; create brand royalty with an objective to maintain and acquire more market shares through unique marketing strategies designed and executed by each company.

The Company's strategy is to emphasize on the advertising campaigns to suit the target groups in each area as well as promote good relationships with vendors, community and society in all aspects, while also emphasizes genuine, prompt, reliable and consistent services, with the Coca - Cola standard and quality of products - the products that can be conveniently found and consumed anywhere and anytime, and come in various sizes in various packages both PET bottles and cans to satisfy every consumer's preference possible.

Year 2023 was another challenging year but we saw better improvement from Covid 19. The situation was eased. The Country welcomed foreigners, resulting the improvement of tourism and number of Thai and Foreigner tourists. The Company prepared operational plan and strategic adjustment to respond with the changes. Consequently, the sales increased from Baht 6,873.5 million to Baht 7,806.0 million, or 13.4% increase. In 2023, Market share of Non-alcoholic ready-to-drink (NARTD) and soft drink in South were 24.9% and 79.3%, respectively, showing the Company as a continuous leader sparkling beverage marketing in the South.

In 2023, the Company applied different strategies to different sales channels as follows:

Traditional Trade (TT) group of customers: Traditional trade was comprised of grocery shops, retail shops and restaurants. The Company's goal was to expand the customer base and increase the number of retail stores as much as possible. Even though there were sales outlets that, inevitably, had to close down as a result of the COVID-19 pandemic, the Sales Department never ceased to search for new markets for the Company, to replace those that had closed down. At the same time, the Company also tried to stimulate consumer demand for the products by integrating a Customer Loyalty System or HaadThip's customer privilege/ loyalty program (MVIP Program) which the outlets needed to buy products and display in the Company's refrigerators following indicated procedure.

Wholesale outlets group: The Company developed wholesale outlets including modern and traditional wholesales outlets by recommending products, suitable for the market to create return. The Company advised and management selling area for best benefit including sales staff arrangement to support product sales and to effectively decrease selling's opportunity loss.

The Company had developed new sales opportunity through Food Service Aggregator for local restaurants for HaadThip products to be deliver right at customer house at anywhere and anytime. This was to respond nowadays customer behavior and effectively reduce the loss of profit of local restaurants

Modern Trade (MT) group of customers: Modern Trade was comprised of Super/Hyper markets and convenient stores including new businesses of Modern Trade partners such as Lotus's RanniKaidee and Big C's Donjai. We placed an emphasis on improvement of our teams in order to keep raising our service level and ensure that our products are always readily available, to prevent the problem of product shortage. We did so through efficiency in supply chain management, by drawing up business plans together with partners such as new product selling, marketing activities, medias, product demonstration and other selling support equipment in order to meet and satisfy the needs of our partners and customers professionally.

Targets and Goals for 2024

In 2024, the Company has set a target for sales growth to be at approximately 7.0% from the year 2023. The estimated growth rate stems partly from the forecast that the macro economy will continuously improve, and Tourism will continuously improve. However the factor of Sugar Tax is challenging and will directly impact to the Company.



Major Marketing Strategies Beverage Business

1. Increase the Company's profit by managing revenue growth through Pack mix, Channel mix and Price mix.
2. Focus on the no-sugar group of products and new products which shall be launched one after another for consumers to try on regular basis.
3. Adapt the sales and distributions channels to speedily response to the dynamic demand shifts

(3) Type of Customers and Distribution Channels

The Company has categorized its customers into 4 main types as follows:

1. Traditional Trade (TT): This type of customers consists of retail stores, sub-stores such as grocery stores, eateries and cafés, restaurants, entertainment venues, clubs, hotels, bus terminals, food and beverage trolleys/carts, beauty salons, night markets, pharmacies, government agencies, piers, academic institutions, residence, etc.
2. Wholesale/ Indirect: This type of customers includes wholesalers and Macro.
3. Modern Trade (MT): This type of customers consists of Supermarket/Hypermarket type such as Tesco Lotus, Big C, Tops or convenient stores such as 7-Eleven, Family Mart, etc.
4. New customer channels through e-commerce platform of the Company such as cokeshopth.com, Social commerce, Market Place to increase new channel and to respond with the needs of new consumers more.

Sales and Channels of Distribution

There are 4 types of sales and channels of distribution as follows:

1. Direct Sales: The Company has a production plant in Amphoe Hat Yai, Songkhla province and another production plant in Amphoe Phunphin, Surat Thani province, as well as 18 warehouses spreading across the 14 southern provinces of the country namely Chumphon, Ranong, Phuket, Surat Thani, Nakhon Si Thammarat, Phang Nga, Krabi, Trang, Phatthalung, Satun, Songkhla, Pattani, Yala and Narathiwat. There is more than one warehouse in some of the provinces, and the types and channels of sales and distribution are as follows:
 - ◆ Pre-sell and Tele-sale system, where a customer places an order in advance, and delivery will be made on the set date and time.
 - ◆ Vending Machines
2. In- Direct Sales
 - ◆ Selling the products via wholesalers who help to distribute the products across all areas of coverage.
 - ◆ Selling the products through Macro, since the majority of Macro's customers are retail stores and sales outlets.
3. Sales via Modern Trade: For examples, Tesco Lotus, Big C or convenient stores, but exclusive of Macro.
 - ◆ Product delivery according to customers' need, following advanced PO. The different delivery dates were according to PO of various customers, depending customers' PO systems such as EDI, FAX and e-mail.
 - ◆ Presales system utilization for selective customers
 - ◆ Product delivery to Modern Trade customers after buying order. The products were distributed to DC- Distribution Center and then deliver to store branches of customers by company trucks or outsource trucks.

4. E-Commerce

- ◆ The Company opened online selling to consumers which is the development of Brand.com under cokeshopth.com to create sustainability for this distribution channel. Clients will have more convenience, especially beverage product group that clients have no need to worry about product carrying and we have free delivery to their homes.
- ◆ The Company utilizes other platforms for online selling to respond with needs of clients such as Line shopping and Facebook shop.
- ◆ Aside from major beverage products of the Company, distributed through e-commerce channels, the Company sells premiums and souvenirs for the collectors and Coca-Cola brand lovers for special occasion through this channel.

(4) Product and Services Sourcing

Products manufactured by the Company for sales are from HatYai Production Plant in Songkhla and the Punpin Production Plant in Surat Thani. Products, not manufactured by the Company are purchased from ThaiNamthip Corporation Limited which is a company in Coca-Cola Thailand's group. The products are categorized as the following;

- **PET Category**

Product	Size	Amount (Million Case)
Soft Drinks	290 mL., 295 mL., 300 mL.	1.01
Soft Drinks	455 mL. , 500 mL., 505 mL., 510 mL.	10.70
Soft Drinks	999 mL., 1 L.	5.23
Soft Drinks	1.25 L.	5.36
Soft Drinks	1.5 L.	2.17
Soft Drinks	1.95 L., 2 L.	2.70
"Namthp" drinking water	350 mL.	0.72
"Namthp" drinking water	550 mL.	4.00
"Namthp" drinking water	1.5 L.	2.09
	Actual production volume (million crates)	33.98
	Utilized capacity (%)	63.0%
	Remaining production capacity (million crates)	19.98

- **CAN Category**

Product	Size	Amount (Million Case)
Soft Drinks	180 mL.	0.18
Soft Drinks	240 mL., 245 mL.	3.37
Soft Drinks	325 mL., 330 mL.	4.36
	Actual production volume (million crates)	3.56
	Utilized capacity (%)	84.4%
	Remaining production capacity (million crates)	0.65

- Glass Bottle Category

Product	Size	Amount (Million Case)
Returnable Glass Bottle (RGB) - Soft Drink	10 oz. (280 mL.)	1.20
Non-Returnable Glass Bottle(NRGB) - Soft Drink/Juice	250 mL.	0.50
	Actual production volume (million crates)	1.69
	Utilized capacity (%)	27.5%
	Remaining production capacity (million crates)	4.45

- Bag in Box Category (BIB)

Product	Size	Amount (Million Case)
Soft Drinks	5 L.	0.004
Soft Drinks	10 L.	0.036
Soft Drinks	20 L.	0.046
	Actual production volume (million crates)	0.086
	Utilized capacity (%)	50.9%
	Remaining production capacity (million crates)	0.083

Raw materials and suppliers

In 2023, there are approximately 53 raw materials manufacturers and distributors of, of which 47 were domestic and 6 were foreign companies. To sum up, approximately 67.93% of raw materials were sourced from domestic suppliers was and 32.07% from abroad. Major raw materials and their sources are as follows:

1. Main raw materials included Concentrate, ordered from Singapore country and Liquid Sucrose, ordered from domestic seller.
2. Raw materials for packaging in 2023 included crimp caps, screw caps, can caps, plastic tubes (PET Preform), both returnable and non-returnable glass bottles, product labels, trays, product pads, boxes and BIB bags. etc. were ordered from domestic manufacturers.

Production Capacity and Volume.

2023	Plants		Total
Unit : Million Crates	Hat Yai Plant, Songkhla	Punpin Plant, Suratthani	
Actual production volume (million crates)	6.15	58.35	64.49
Utilized capacity (%)	1.69	37.63	39.32
Remaining production capacity (million crates)	27.5%	66.6%	59.2%

(5) Assets for Business Operation

(5.1) Tangible assets for business operation: fixed assets for business operation owned by the Company

Unit: Baht

Asset Type/Characteristics	Book value at 31 December 2023	Liabilities
1. 96 land plots, total area of 552 rai, 2 nagan 23.10 square wah Non-operating 19 land plots (real estate for investment purpose) with total area of 57 rai, 1 ngan, 6.7 square wah	2,096,094,066.57 192,102,230.88	Land deed title No. 30069/30070 attached to mortgage with Bank of Ayudhya for the loan of Baht 1,200 million.
2. Office building	210,078,611.80	Attached to mortgage with Bank of Ayudhya for the loan of Baht 1,200 million.
3. Operating plants 2 for manufacturing and distributing Coca-Cola Location: Plant 1, 87/1 Karnchanavanich Road, Baan Pru, Hat Yai, Songkhla 90250 Location: Plant 2, 206 Moo 3, Tha Rong Chang, PunPin, Surat Thani 84130	713,938,548.59	Attached to mortgage with Bank of Ayudhya for the loan of Baht 1,200 million. Only Punpin Plant was on mortgage, while HadYai Plant was not on mortgage
4. 10-year and 20-year machines	1,100,370,619.88	Attached to mortgage with Bank of Ayudhya for the loan of Baht 1,200 million/ Loan from Bank of Ayudhya in amount of Baht 67 million (subsidiaries)
5. Vehicles	27,395,411.95	
6. Working tools and equipment	122,884,690.96	
7. Containers	13,523,420.84	
8. Land improvement	40,562,872.63	
9. Promotion equipment (refrigerators/ Promotion materials/PX/Vending)	110,526,834.81	
Total	4,627,477,308.91	

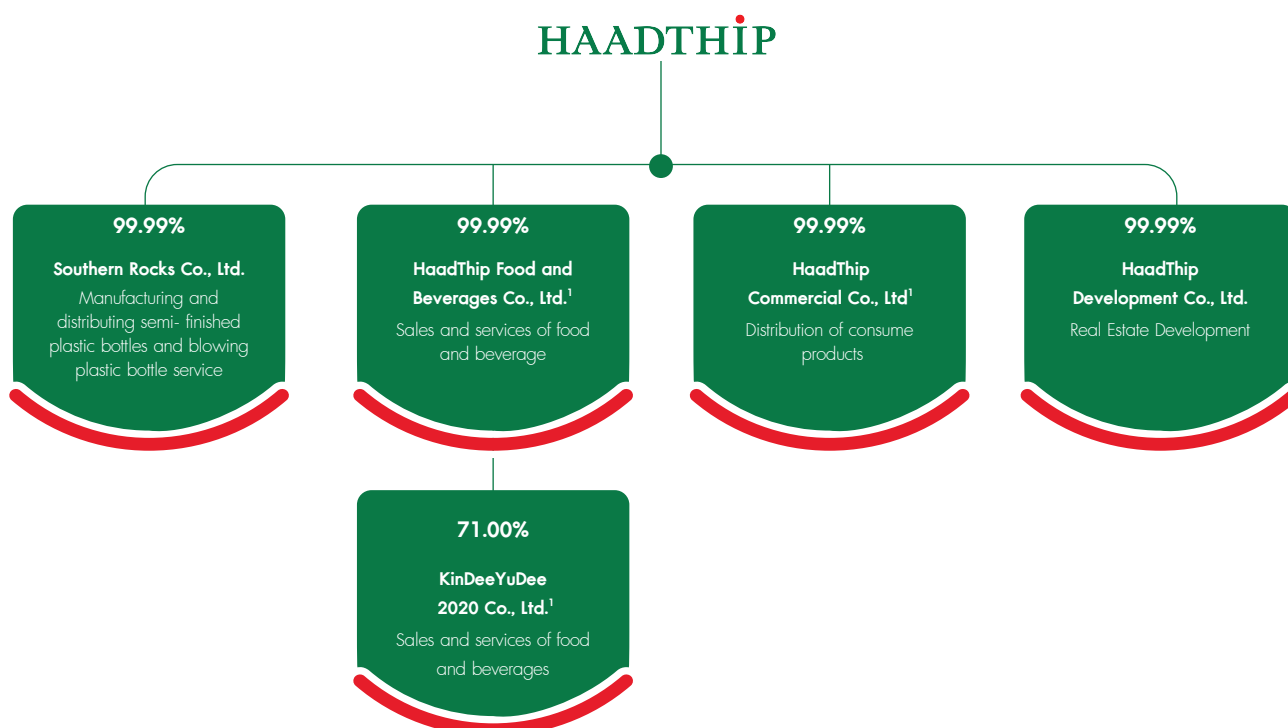
(5.2) Assets under Financial Leases

Asset Type/characteristics	Net residual value	Liabilities
1. Vehicles	267,765,851.00	-
2. Buildings	7,761,618.38	-
Total	275,527,469.38	-

1.3 HaadThip Group's shareholding structure

1.3.1 HaadThip Group's shareholding structure as of December 31, 2023

HaadThip Public Company Limited is a sparkling beverage manufacturer, granted a franchise by the Coca - Cola Company (U.S.A), Atlanta, Georgia, as a producer and distributor of sparkling beverages under the trademarks of "Coca-Cola," "Fanta" and "Sprite," and other products owned by Coca-Cola and have subsidiaries, operating other businesses.



Note: ¹ The Board of Directors' Meeting of HaadThip Public Company Limited No.1/2023, held on Monday February 13, 2023 approved the resolution of 3 subsidiaries, HaadThip Food and Beverages Co., Ltd., HaadThip Commercial Co., Ltd., and KinDeeYuDee 2020 Co., Ltd and is on the process related on resolution registration and liquidation in accordance with law.

Southern Rocks Co., Ltd.

Registered capital and paid-up capital	Baht 97 million divided into ordinary shares 970,000 shares with a par value of 100 Baht
Type of business	Operate a business of manufacturing and distributing semi- finished plastic bottles and blowing plastic bottle service with the investment promotion from the BOI
Head office	87/1 Karnchanavanich Road, Baan Pru, Hat Yai, Songkhla 90250
Telephone number	074 210 008-18
Facsimile number	074 210 006-7
Controlling Power	The Company had direct and indirect controlling power to determine financial and management policies. The Company assigned representatives to be directors/management to have controlling power over subsidiaries to oversee the management of subsidiaries to effectively and efficiently follow the Company's strategy and policy.

HaadThip Commercial Co., Ltd.

Registered capital and paid-up capital	Bath 16 million divided into ordinary shares 160,000 shares with a par value of 100 Baht
Type of business	Operates the business of distribution of consumer products
Head office	87/1 Karnchanavanich Road, Baan Pru, Hat Yai, Songkhla 90250
Telephone number	074 210 008-18
Facsimile number	074 210 006-7
Controlling Power	The Company had direct and indirect controlling power to determine financial and management policies. The Company assigned representatives to be directors/management to have controlling power over subsidiaries to oversee the management of subsidiaries to effectively and efficiently follow the Company's strategy and policy.

Remark: The Board of Directors' Meeting of HaadThip Public Company Limited No.1/2023, held on Monday February 13, 2023 approved the resolution and is on the process related on resolution registration and liquidation in accordance with law.

HaadThip Development Co., Ltd.

Registered capital and paid-up capital	Baht 81 million divided into ordinary shares 810,000 shares with a par value of 100 Baht
Type of business	Operates business of real estate development
Head office	36 Soi Charoen Mit, Phra Kanong Nua, Watthana, Bangkok 10110
Facsimile number	074 210 008-18
Fax	074 210 006-7
Controlling Power	The Company had direct and indirect controlling power to determine financial and management policies. The Company assigned representatives to be directors/management to have controlling power over subsidiaries to oversee the management of subsidiaries to effectively and efficiently follow the Company's strategy and policy.

Remark: The Board of Directors' Meeting of HaadThip Development Limited No.15/2023 on Friday 18 August 2023 approved from 87/1 Karnchanavanich Road, Baan Pru, Hat Yai, Songkhla to be 36 Soi Charoen Mit, Phra Kanong Nua, Watthana, Bangkok 10110

HaadThip Food and Beverage Co., Ltd.

Registered capital and paid-up capital	Baht 30 million divided into ordinary shares 300,000 shares with a par value of 100 Baht
Type of business	Operates the business of sales and services of food and beverage
Head office	87/1 Karnchanavanich Road, Baan Pru, Hat Yai, Songkhla 90250
Telephone number	074 210 008-18
Facsimile number	074 210 006-7
Controlling Power	The Company had direct and indirect controlling power to determine financial and management policies. The Company assigned representatives to be directors/management to have controlling power over subsidiaries to oversee the management of subsidiaries to effectively and efficiently follow the Company's strategy and policy.

Remark: The Board of Directors' Meeting of HaadThip Public Company Limited No.1/2023, held on Monday February 13, 2023 approved the resolution and is on the process related on resolution registration and liquidation in accordance with law.

KinDeeYuDee 2020 Co., Ltd.

Registered capital and paid-up capital	Baht 30 million divided into ordinary shares 300,000 shares with a par value of 100 Baht
Type of business	Operates business of sales and services of food and beverages. It is a joint venture between Zen and Spicy Co., Ltd. (holding 25%) and HaadThip Food and Beverages Co., Ltd. (holding 71%)
Head office	87/1 Karnchanavanich Road, Baan Pru, Hat Yai, Songkhla 90250
Telephone number	074 210 008-18
Facsimile number	074 210 006-7
Controlling Power	The Company had direct and indirect controlling power to determine financial and management policies. The Company assigned representatives to be directors/ management in subsidiaries to oversee the management of subsidiaries to follow strategy as agreed in joint venture agreement.

Remark: The Board of Directors' Meeting of HaadThip Public Company Limited No.1/2023, held on Monday February 13, 2023 approved the resolution and is on the process related on resolution registration and liquidation in accordance with law.

1.3.2 Shareholder

List of the first 10 Shareholders on November 22, 2023 (The latest book closing in 2023)

Name – Sure name	Number of shares	% of paid-up shares capital
1. GUTSCHE FAMILY INVESTMENTS (PROPRIETARY) LIMITED	98,081,452	24.403
2. Rattakul Family's Group		
1. Miss Pannapa Rattakul	39,850,246	9.915
2. Maj. Gen. Patchara Rattakul	18,078,740	4.498
3. Mr. Pichakorn Rattakul	8,349,758	2.077
4. Master Pakin Rattakul	8,349,758	2.077
5. Miss Fah Rattakul	8,349,758	2.077
3. Mrs. Pariya Chirabandhu's group		
1. Mrs. Pariya Chirabandhu	61,521,154	15.307
2. Mr. Apichart Chirabandhu (spouse)	428,544	0.107
3. Mr. Harith Chirabandhu (son)	10,850,758	2.700
4. Miss Chanya Chirabandhu (daughter)	8,944,758	2.226
4. Thai NVDR Company Limited	22,336,612	5.557
5. Mrs. Chira Sritavaj na Ayudhya	6,367,614	1.584
6. Miss Sirincha Sitichaivises	5,579,900	1.388
7. Aberdeen Small-Mid Cap Fund	3,781,600	0.941
8. Miss Suwannee Sitichaivises	3,473,200	0.864
9. Miss Vanchalerm Sataman	3,252,528	0.809
10. Mr. Thitiwut Boonsuk	3,160,000	0.786
11. Others	91,164,620	22.684
Grand Total	401,921,000	100.00

Distribution of shares by nationality

Nationality	Number of shares	% of paid-up share capital
Thai	295,400,384	73.50
Foreign	106,520,616	26.50
Total	401,921,000	100.00

Remarks: Foreign shareholding limit is 35%

1.4 Registered capital and paid-up capital

As of December 31, 2023;

Capital Information :	
Registered Capital	201,210,180 Baht
Paid-Up Capital	200,960,500 Baht
Share information :	
Registered Shares :	402,420,360 shares
Paid-Up Shares :	401,921,000 shares
Par	0.50 Baht per share

The Extraordinary General Meeting of Shareholders No.1/2023 approved the change of value of Share Par from 1 Baht per Share to 0.50 Baht per Share, resulting paid-up shares change from 200,960,000 shares to 401,921,000 shares, effective on 7 September 2023.

1.5 Other Securities

- None -

1.6 Dividend Policy

"The Company's has a policy to pay out dividend at the rate of no less than 50% to 80% of the remaining Net Profits after deduction of all types of reserves required by the law and set forth by the Company. Dividend shall be paid out accounting to the appropriation of Net Profits from the Company's Consolidated Financial Statements. However, dividend payments shall be based upon the Company's cash flow, investment plan, other necessities and circumstances deemed appropriate in the future.

Dividend payments for prior years are shown below for reference:

Details of Dividend Payment	2023	2022	2021
Number of paid - Up capital (shares)	401,921,000 ^{1/}	200,960,500	200,960,500
Profit for the year (million Baht)	598.04	435.06	533.32
Basic earnings per share (Baht)	2.26	2.16	2.66
Dividend per share (Baht/share)	1.52 ^{2/}	1.52	1.79
Total dividend payment (million Baht)	418.00	305.46	359.72
Dividend as % of profit for the year (%)	70.00	70.00	67.29

^{1/} The Extraordinary General Meeting of Shareholders No.1/2023 approved the change of value of Share Par from 1 Baht per Share to 0.50 Baht per Share, resulting paid-up shares change from 200,960,000 shares to 401,921,000 shares, effective on 7 September 2023.

^{2/} The resolution had been passed by the Board of Directors' Meeting 2/2024 held on March 4, 2024 to approve the 2023 dividend payment at the rate of Baht 1.52 per share, the company already paid interim dividend of Baht 0.96 per share on September 8, 2023 for the result of operation for the first half of 2023, and the remaining dividend Baht 0.56 per share. The Company has fixed the Record Date on which shareholders have the right to receive the remaining dividend on May 3, 2024 and the dividend shall be paid on May 20, 2024.

Subsidiary's Dividend Policy

Concerning subsidiary's dividend policy, may decide dividend payment by taking into accounts its remaining cash flow. If the cash flow is substantial enough after legal provisions, the subsidiary may proceed with payment. The financial statement for the year end December 31, 2023, dividend income from subsidiaries was Baht 74.69 million.

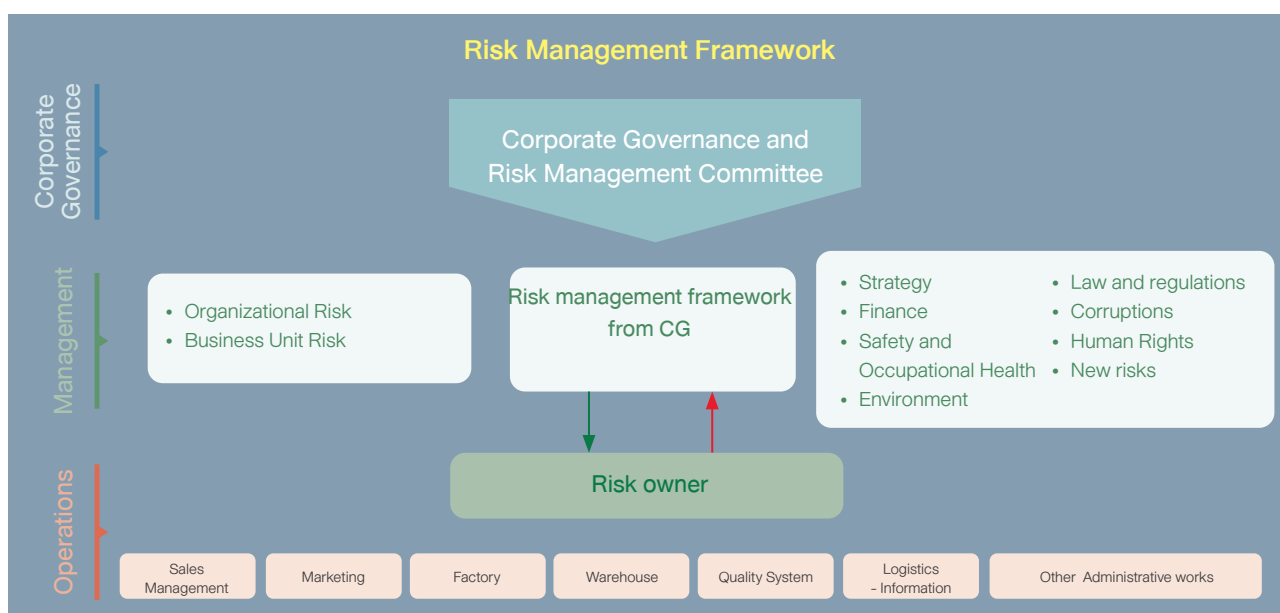
2 Risk Management

2.1 Risk Management Policies and Guidelines

HaadThip Public Company Limited and its subsidiaries ("the Company") acknowledge the significance of Risk Management, encompassing sustainability risks (ESG), as integral to sound corporate governance. This involves fostering business operations to realize objectives and foster sustainable growth through the identification, analysis, and appropriate management of risks. Such endeavors aid in facilitating effective decision-making and instilling confidence among investors and stakeholders in management's ability to navigate changes in the business landscape. Moreover, it serves to preempt potential losses arising from various uncertainties by devising contingency plans to mitigate potential impacts promptly and effectively.

Consequently, the Company has established the following policies and guidelines for risk management:

1. Establishing risk management as a duty and responsibility incumbent upon employees at all levels mandates that they possess knowledge, understanding, and awareness of the risks inherent in their departmental and company operations. Each department must prioritize the evaluation and formulation of plans to control various risks to an appropriate level.
2. Developing the company's risk management process entails aligning it with current and future international standards to effectively address risks that may impact the company's operations. This ensures efficiency and coherence in risk management practices across the organization.
3. Fostering operational excellence and instilling confidence among stakeholders, integrating the risk management process into decision-making when planning work strategies in every department. This involves focusing on the company's vision, mission, objectives, goals, and strategies to ensure alignment with risk management objectives.
4. In order to mitigate potential impacts, damages, or losses, it is imperative to designate an authority at each level to establish guidelines for preventing and mitigating risks arising from the company's operations. This includes the regular monitoring and evaluation of risk management outcomes.
5. The utilization of modern information technology systems and tools is essential to facilitate the organizational risk management process. This also supports communication channels to ensure that employees at all levels have comprehensive access to risk management updates.
6. The Risk Management Department is tasked with overseeing the outcomes of assessments and risk control plans across all departments. Additionally, it is responsible for reporting these results to the Corporate Governance and Risk management Committee.



2.2 Risk Factors Affecting the Company's Business Operations

2.2.1 Risks Affecting the Business Operations of the Company or Company Group

These risks are considered to be the Company's key risks, including environmental risks. The Board of Directors recognizes their significance and has outlined the following management guidelines:

1. Supply Chain Risk

1.1) Risk from Fluctuations in Raw Material Prices

The primary raw material utilized in product manufacturing is liquid sugar. It serves as the main ingredient in beverage production, derived from agricultural crops. Production is contingent upon weather conditions and environmental factors, which have been significantly altered by current global warming trends or impacted by various natural disasters. These factors directly influence sugar production, resulting in potential shortages and price spikes due to supply-demand imbalances.

However, the company has implemented strategies to mitigate price fluctuations by engaging in futures contracts based on estimated production volumes, thus safeguarding against shortages and price volatility in such raw materials.

This ESG risk is considered an environmental risk.

1.2) Risk from Packaging Price Fluctuations

The PET (Polyethylene Terephthalate) bottle packaging used for the company's soft drinks is susceptible to price fluctuations. These bottles are produced from PET resins, the price of which varies according to the trading price on the world market. Consequently, adjustments in the price of resins directly impact the company's packaging production costs.

To address this concern, the Company has established a policy to accommodate fluctuations in plastic resin prices. Close evaluation of PET resin prices domestically and internationally is conducted, and trends in price direction are analyzed to develop ordering plans. This approach enables the company to effectively manage raw material procurement for maximum efficiency. Furthermore, future plans involve exploring the possibility of modifying and enhancing the production process by utilizing modern and highly efficient injection machines capable of producing packaging with less PET plastic (Light-Weighting). This initiative not only reduces packaging production costs but also minimizes environmental impacts, fostering greater social responsibility.

In addition to liquid sugar and PET resin mentioned above, other packaging materials such as crimped lids, plastic lids, and aluminum cans, as well as various energy fuels, are also important considerations for supervision and risk management. Measures have been implemented to collaborate with key trading partners and primary raw material suppliers, including the establishment of business continuity management plans. These plans include maintaining adequate inventory levels of raw materials, entering into sales contracts with trading partners to stabilize raw material prices, and developing contingency plans to secure alternative sources of raw materials. Simulation analysis is conducted to identify and evaluate potential impacts on the company's business operations, enabling the formulation of response plans and strategic adjustments to align with prevailing circumstances.

This ESG risk is considered an environmental risk.

2. Risk from Changes in Laws, Regulations, or Government Policies

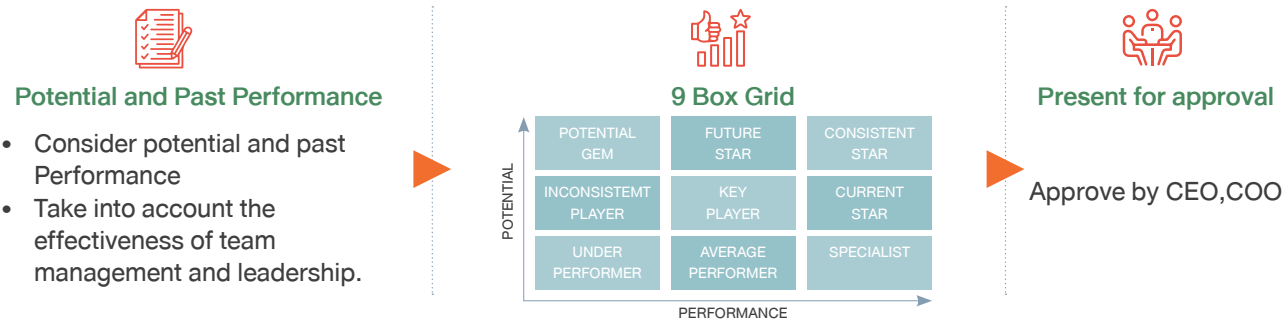
The collection of excise tax on beverage products, based on both their value and sweetness content, poses a regulatory risk. This tax scheme, aimed at addressing the issue of excessive sweetness consumption, imposes higher taxes on very sweet drinks and proportionately lower taxes on less sweet ones. Phases 1-3 of the sugar tax collection rates are already in effect, with phase 4 anticipated to be implemented in April 2025, directly impacting the company.

However, the company remains vigilant in adhering to these regulations. It has devised strategic plans and measures to proactively address potential impacts, including efforts to develop new products featuring low or zero sugar content and zero calories. These products aim to serve as Healthier Choice and mitigate the effects of excise tax collection.

3. Risk from Establishing a Succession System for Key Positions

A succession system is essential for ensuring continuity and effectiveness in organizational management. It involves the process of identifying and grooming talented individuals within the organization to fill key positions when vacancies arise due to retirement, term completion, resignation, or other reasons.

The company has implemented a comprehensive personnel development system aimed at preparing individuals for such roles. This system includes initiatives such as competency assessments and the Talent & High Potential program, which focus on recruiting and nurturing personnel capable of assuming important positions. Consequently, organizational operations and management remain uninterrupted and efficient.



This ESG risk is categorized as a social risk.



4. Emerging Risk

The Company has analyzed the impact of emerging risks and prepared an emerging risk management plan

4.1) Risk from changes in laws, regulations or government policies

Plastic waste has emerged as a significant global challenge fueled by economic expansion and heightened consumption, particularly driven by the pursuit of convenience in people's lifestyles. The consumption of food and beverages, in particular, contributes substantially to the accumulation of plastic waste. In response to these challenges, measures such as the introduction of a 'Plastic Tax' or 'Plastic Packaging Tax' (PPT) have been implemented. This taxation mechanism aims to levy charges or fees on manufacturers, importers, or member countries involved in the production, import, or utilization of single-use and non-biodegradable plastic products or packaging, excluding those derived from recycling processes. The imposition of such taxes inevitably raises the costs associated with plastic packaging, directly impacting the company's expenses.

Although Thailand currently does not enforce specific taxes on plastics or plastic packaging, the company remains vigilant regarding such regulatory measures. Collaborative efforts have been undertaken with Coca-Cola (Thailand) Company Limited and Thai Namthip Company Limited to explore the utilization of rPET (Recycled Polyethylene Terephthalate) as a component in packaging production. Additionally, endeavors are being made to forge alliances with networks comprising leading organizations to advocate for policies promoting sustainable packaging management. These initiatives aim to support waste reduction, curb energy consumption, diminish greenhouse gas emissions, and ultimately reduce plastic waste volume in the future. The Company is steadfast in its commitment to sustainable packaging management and environmental stewardship. This revised risk management plan reflects a proactive and strategic approach, demonstrating the company's dedication to adaptability and responsible business operations.

This ESG risk is categorized as a corporate governance risk.

4.2) Geopolitical Risks

Competition, conflicts, and warfare among major powers directly impact the global production and trade chain, leading to significant fluctuations in commodity prices. Economic protectionist measures employed by nations exacerbate this volatility as they seek to counter one another. Survey results indicate the anticipation of prolonged conflict, resulting in heightened volatility over the next two years. Such circumstances are likely to perpetuate division, both economically and technologically, impeding cooperation, alliances, and international trade. These factors, coupled with rising commodity and energy prices, pose new and heightened risks and challenges to current business operations, including future expansion investments.

Nevertheless, the company diligently monitors domestic and international economic developments, identifying and assessing potential impacts on its business operations. This proactive approach enables the company to formulate response plans and adjust strategies promptly to align with prevailing conditions. In pursuit of Haadthip Group's long-term goal of sustainable business growth, the company prioritizes clear guideline establishment and strategic planning. These efforts aim to facilitate systematic collaboration among stakeholders and foster sustainability awareness, ensuring that Haadthip Group conducts business responsibly toward society and the environment.

This ESG risk is classified as a corporate governance risk.

2.2.2 Investment Risk for shareholders

Major shareholders, including the Rattakul family (holding 20.64 percent of shares), Mrs. Pariya Jiraphan's group (holding 20.34 percent of shares), and GUTSCHE FAMILY INVESTMENTS (PROPRIETARY) LIMITED (holding 24.40 percent of shares), which are juristic persons established in South Africa and are business partners of the company, collectively hold 66.71 percent (more than 50%) of the total shares. This consolidated ownership grants the aforementioned three shareholder groups significant control over nearly all resolutions made at shareholder meetings, including the appointment of directors and decisions on other matters requiring majority votes, excluding those mandated by legal or company regulations, which necessitate a three-fourths majority vote. As a result, other shareholders may face challenges in amassing sufficient votes to counterbalance proposals from major shareholders.

The Company and the Board of Directors are committed to upholding equal and fair treatment of all shareholders, prioritizing the company's and shareholders' best interests. When seeking shareholder meeting resolutions for transactions, the proposed agenda undergoes rigorous screening by the Company's senior executives. Subsequently, the Company Secretary, appointed by the Chairman of the Board, incorporates the item into the board meeting agenda for deliberation and voting.

In this process, the shareholder meeting invitation letter comprehensively outlines the Board of Directors' opinions on the proposed transaction, providing shareholders with essential information for decision-making. Guided by these principles, the Company trusts that major shareholders will align their voting decisions with the Board of Directors' opinions on each agenda item. Additionally, in cases where the Company engages in connected transactions as per the Stock Exchange of Thailand's Board of Directors announcement regarding information disclosure and operations of listed companies in connected transactions, 2003, strict adherence to regulations is mandatory. Stakeholders categorized as connected persons, as defined by relevant regulatory agency announcements, forfeit voting rights on such agenda items.

However, there may exist other risk factors not currently known to the company or deemed insignificant.

The Company built risk management culture within organization. Risk management culture is important element in organization and business nowadays. All employees including top management and operation staff in all departments need to understand and realize the risks in business and involve in risk management to build strong risk management culture with responsibility for effective business operation and future risk protection. For example, the Company has "risk management clinic" to provide consulting for risk assessment to risk owner, "risk talk" to exchange the ideas with employees 1 time a month, "Risk Knowledge Today" to communicate risk knowledge every week through email ad Line and "Risk For Fun" to organize question and answer activities for risk assessment.





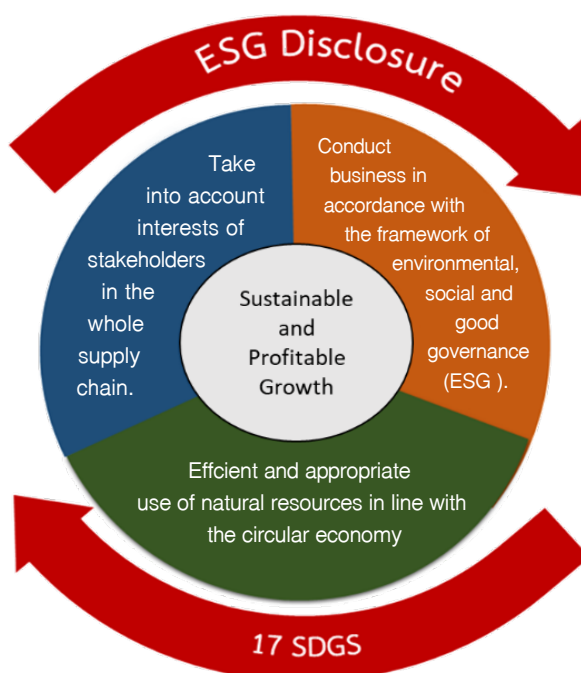
3 Driving Business for Sustainability

3.1 Sustainability Management Policy and Goals

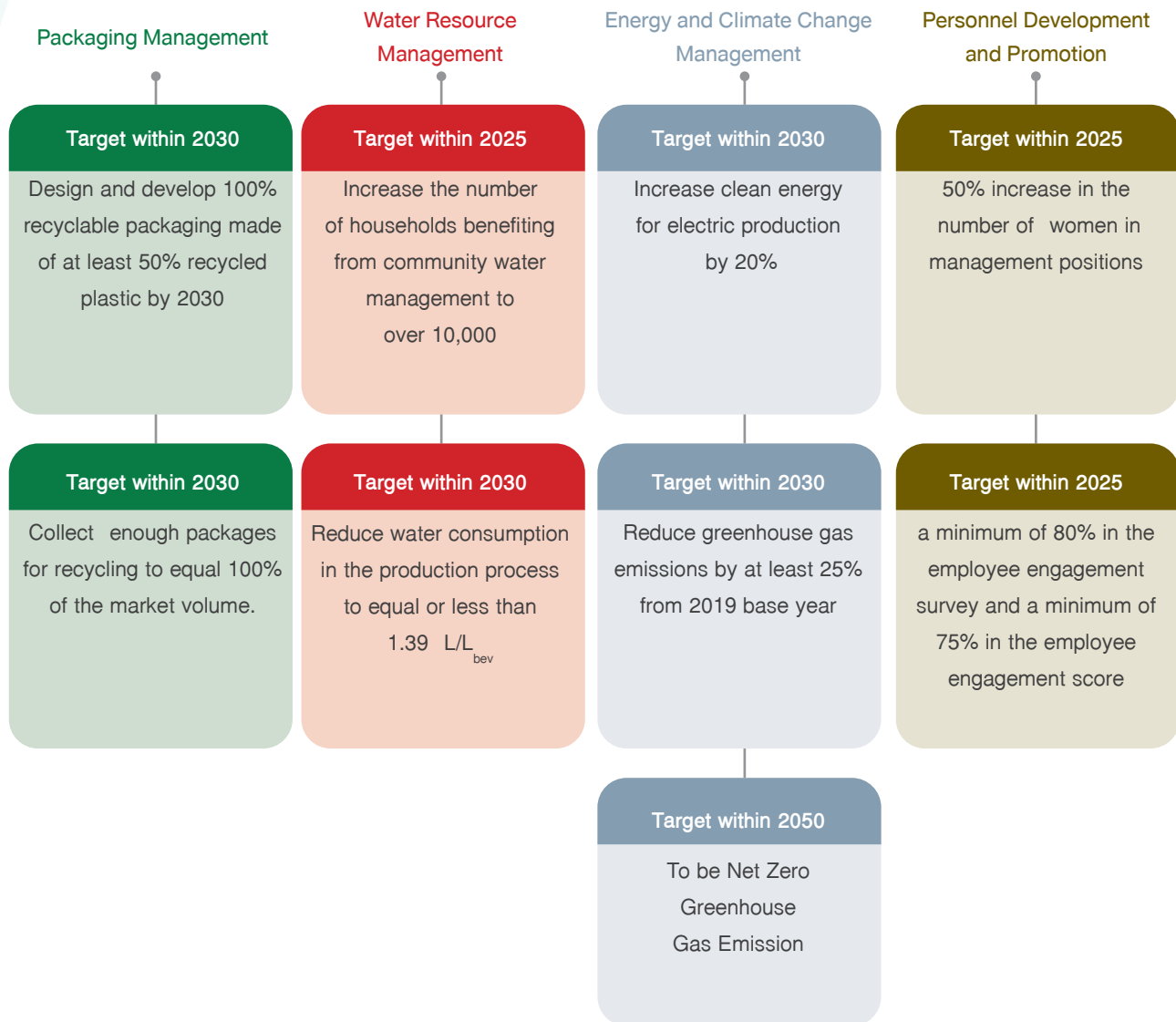
HaadThip Company Limited conducted business with strong intention to achieve sustainability target, based on our vision. “We are the leader in beverage industry with sustainable growth.” The Company has long-term development and potential promotion plan for the organization and stakeholders, driven through strategy and business operation framework according to international standard to adjust according to the change of world market, to increase diversification to respond with needs of consumers and to conduct fair treatment of consumers including the business opportunity development, the increase of competition capacity, and the sustainability success in the country.

HaadThip realizes the highest benefit of stakeholders in supply chain, along with the response to expectation of stakeholders under sustainability framework of economy, society and environment (ESG) to create the balance between business growth and sustainable values for stakeholders. The Company supports target of Sustainable Development Goals (SDGs) of United Nations and emphasizes on effective usage of natural resource, in relevant to circular economy and the increase of sustainability target to organization with net zero greenhouse gas emission.

HaadThip includes the suitability development into organization level policy to communicate to employees and stakeholders for the Company’s vision and sustainability target. In the action plan, ESG performance is cited as a key element to ensure that in all activities the comprehensive impacts in all dimensions can be perceived and analyzed instilling a sustainability mindset in all employees.



3.1.1 Sustainability Management Goals



3.1.2 Sustainability Disclosure

The Company disclosed outcomes with operational goals pertaining to environmental, social and governance (ESG) according to the Stock Exchange of Thailand standard.

In 2023, HaadThip was 1 of 193 listed companies in SET ESG Rating and 1 of 5 listed companies in “AA” rating in Agro & Food Industry from the announcement in form of ESG ratings for the first year to reflect ESG, support the investors for investment information and build confidence. Sustainability reporting with reference according with standard of Global Reporting Initiative (GRI) is utilized as a communication channel. The Company intends to develop the operation in accordance with sustainability guideline which can be studied at the website or <https://www.haadthip.com/en/document/sustainability-reports>

Study additional information at website or link <https://www.haadthip.com/en/document/sustainability-report>



QR CODE



3.2 Impact Management for Stakeholders in the Value Chain

3.2.1 Business Value Chain

HaadThip drives sustainable business through long-term relationship with all stakeholders in value chain such as partners, alliances and customers to deliver the best experience and products to customer through the development of products and service to better reach customers and have specialized qualification and higher values. Business foundation strength is developed, and the Company potential in the market is promoted. The fluctuation of operational result and the impact to environment and society decreases in long term with the value awareness of the best resource use.

Moreover, the Company's partners need to accept the business ethics and morals in response of the sustainable procurement and our vision, "The Company is leader in beverage industry with sustainable development". The key strategies are as follows:

Raw materials sourcing and selecting suppliers

- Select the quality of raw materials used in the production of products and services
- Encourage green procurement policy in selection suppliers from all categories.
- Regular supplier monitoring and risk assessment
- Work with suppliers to guarantee fair, reliable and verifiable procurement and raw material sourcing.

Production and Technology Development

- Plan production in accordance with market demand to avoid wasting resources consumption
- Control product quality in accordance with legal requirements and international management standards that include consumers, safety and the environment
- Promote the use of clean energy in the manufacturing process to reduce environmental impacts
- Improve the production machines so that the production can be sped up, lowering production costs and resources.

Shipping and distribution

- Integrate the use of technology into transportation management and distribution to improve its efficiency.
- Encourage drivers to drive safely and responsibly in order to reduce potential dangers to employees and communities.
- Store products in a standardized location in order to control safety and quality of the goods

Marketing and Sales

- Ensure quality, speedy and punctual delivery of products and services.
- Create positive relationships with customers, consumers and communities through implementing projects such as customer satisfaction surveys and promotional activities among other things.
- Create direct, convenient and easy communication channels for all customers, consumers and stakeholders to accept concerns or expectations and as a symbol of responsibility to consumers

Corporate culture and Human Resource Management.

- Treat all employees equally by providing the opportunity for them to enhance their knowledge through regular training and tests at all levels. Provide assistance and listen to individual or their families' opinions to ease the burden in profession or personal concerns.
- Provide training and development of employees' potential to improve workplace safety and reduce dangers to personnel and their property.

Packaging Materials and Post-Consumption Management

- Design more environmentally friendly packaging to reduce environmental impacts and raw material costs.
- Collect post-consumption packaging waste in the community that will be treated in accordance with the Coca-Cola Business Group's Vision of World Without Waste
- Communicate and Collaborate with organizations to raise awareness both inside and outside the Company.

3.2.2 Stakeholders in the business value chain

The Company places emphasis on the efficient and sustainable supply chain management, including environmental, social and good governance dimensions according to the ESG Disclosure of the Stock Exchange of Thailand in order to respond to the expectations of all stakeholders throughout the supply chain. The stakeholders' expectation has been estimated through various channels: customer contact channels, interviews, collecting reports, satisfaction surveys, small group meeting, workshops or complaint channels, etc. By these means, the Company can reach to them to listen to impacts and important issues related to the company and stakeholders and find ways to meet the expectations in all areas. Stakeholder can be categorized based the operations of the organization as follows:

Employees

Communication Channels	Contents	Responses
<ul style="list-style-type: none"> Meetings / Trainings / Seminars Feedback, complaint and questionnaire Internal communication through various systems such as emails, Intranet, SNS Platform, video conferences. Employee representatives 	<ul style="list-style-type: none"> Promote working environment and safety. Opportunities for career advancement. Compensation and benefits for employees. Developing skills and potentials necessary for work 	<ul style="list-style-type: none"> Promote a healthy and safe working environment for employees to attain physical, mental and social well-being. Treat employees equally / respect human rights Fair compensation and proper employee's welfare benefit Career Path for employees to understand career progress and channel for career development

Customers

Communication Channels	Contents	Responses
<ul style="list-style-type: none"> Shop visits Satisfaction survey Communication through social media channels and Application "M Game" Complaint channels 	<ul style="list-style-type: none"> Quality of products and services. Punctuality in product delivery. Adjusting trading strategies to respond to market demands. Security of personal data. 	<ul style="list-style-type: none"> Deliver products with quality service and on time with product development through the technology investment Follow ethics and moral for customer relationship Set up policy and committee for PDPA

Communities and Society

Communication Channels	Contents	Responses
<ul style="list-style-type: none"> Field visits to participate in activities with the communities Meeting with the community. Factory visits Opinion polls. 	<ul style="list-style-type: none"> Negative impacts from business. Restoration of natural resources and the environment. Closing inequalities gap in society. Promoting occupations for the communities. 	<ul style="list-style-type: none"> Reduce negative impact on environment from business conduct Design environment friendly packages and reduce impacts on environment Support activities in local communities in which the Company operates business and promote long-term self-reliant community

Consumers

Communication Channels	Contents	Responses
<ul style="list-style-type: none"> Satisfaction survey Off-site activities Marketing and sales promotion activities Social Media channels such as Facebook page, Twitter, Line@, YouTube Complaint Channels Factory visit 	<ul style="list-style-type: none"> Control the quality and safety of products and services. Create projects to benefit society and environment. Design products to respond to the needs of consumers. 	<ul style="list-style-type: none"> Be certified with international standard Provide adequate, clear and easy to understand product information, complied with law such as Internal Launch activity to promote sales to stores and consumers via online channels Beverage package design and development for choices of health-conscious consumers.

Partners Suppliers and Business Partners

Communication Channels	Contents	Responses
<ul style="list-style-type: none"> Annual meeting Communication via phone calls, emails and video conferences Risk assessment meeting Complaint channels Fill into the questionnaire 	<ul style="list-style-type: none"> Fair and transparent procurement process. Punctual Delivery. Product quality Product Safety Acknowledgment of the policy and acceptance of the guidelines for conducting business together. 	<ul style="list-style-type: none"> Establish Codes of Conduct and business ethics for partners Promote technology for delivery and distribution system management Product quality control, complied with law and other international standards. Regularly follow up and assess the risk of partners Co-working with partners for fairness, reliability and verifiability of raw material procurement

Shareholders and Investors

Communication Channels	Contents	Responses
<ul style="list-style-type: none"> Annual Shareholders' Meeting Preparation of annual reports. Quarterly performance report. Annual Sustainability Report One on One Meeting with investors Communication via email, telephone and IR website 	<ul style="list-style-type: none"> Business growth Operations with transparency and accountability. Strategies for sustainable growth Company risks and risk hedging Market situation and competition 	<ul style="list-style-type: none"> Maintain good business results and continuous growth Build confidence of shareholders and investors through company's value growth Deliver accurate, completed, adequate and on time information to investors for their decision making Operate business following good corporate governance

Press and Media

Communication Channels	Contents	Responses
<ul style="list-style-type: none"> Public relations News and activities of the Company through online and offline media Participation in the project and Activities organized by the Company 	<ul style="list-style-type: none"> Transparency in information dissemination Business expansion plans and organization development strategies. The accuracy and completeness of the information to be published. 	<ul style="list-style-type: none"> Disseminate information to the medias with accuracy, completeness, timing and reliability Disseminate PR news via various channels for all groups of consumers Participate in activities organized by media groups to strengthen relationship with them

Government Agencies

Communication Channels	Contents	Responses
<ul style="list-style-type: none"> Participation in activities and projects with government agencies. Attending trainings and seminars in courses organized by government agencies. Reporting business outcomes to relevant agencies as required by law. 	<ul style="list-style-type: none"> Transparency in Disclosure of Operating Results Conduct business according to the law. Social and Environmental Responsibility 	<ul style="list-style-type: none"> Cooperate and support projects of government agencies Comply with all rules and regulations as stipulated under the laws. Environment management system with standard does not create impact to society and environment.

Policy on Sustainable Supplier Sourcing

HaadThip forwards sustainable business through good relationship with partners. Many partners have maintained relationship for a long time which is one of company's success factors to be a leader in 14 provinces in South, and an important factor to develop good products and service to reach customers, building strong business fundamental and potential for sustainable growth. The important operation guideline is to build operations with business partners, focusing on selling opportunity between us with fair and transparent operation framework. The Company aims to procure raw materials from partners having sustainability mindsets in environment, society, good governance and anti-corruption and corporates with business partner to achieve sustainable target. The Company considers less impact from raw material source toward environment as possible and reduces the usage of package to be lightweight for the reduction of raw materials.

3.3 Sustainability Management in Environmental Dimensions

3.3.1 Environmental Policies and Practices

HaadThip Public Company Limited is committed to environment conservation along with business operations. The Company set up and communicates environment policy, target and operation guideline covering many aspects in relevance to the Company's vision and policy and complies with laws and related regulations.

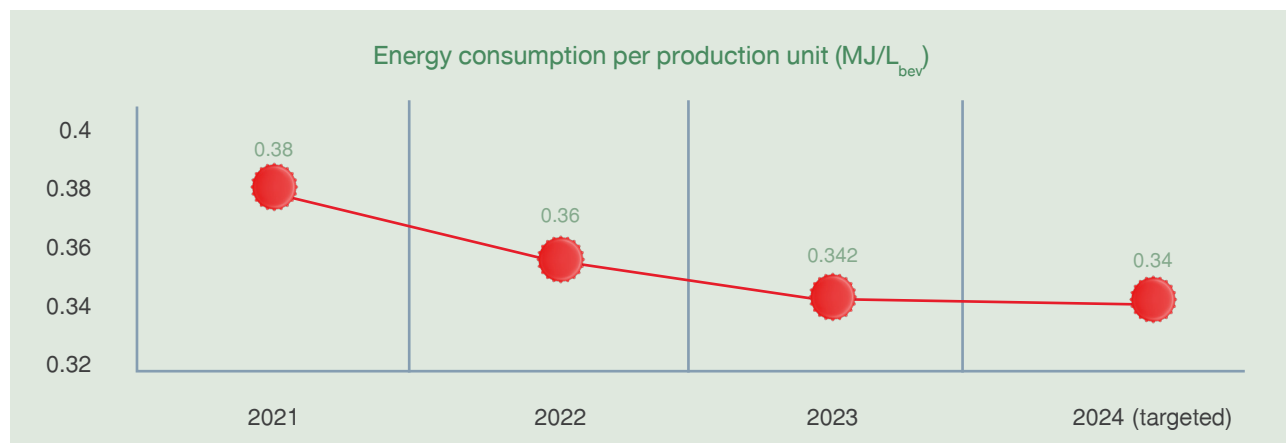
The Company encourages all employees to have an awareness of social and environment responsibility in every activity we carry out from production, delivery, distribution and service. It also has proceeded to prevent and reduce environmental impact, the impacts of climate change as well as strictly observe law requirements and regulations related to the environment. Great emphasis has been also placed on the use of resources for maximum benefit, environment and resources conservation for future generations.

3.3.2 Environmental Performance

Energy Management

The Company is committed to developing an appropriate energy management system. The business conduct goes in parallel with energy conservation for behavior, mindset and participation. The systematic integrated process of energy usage and systematic integrated engineering technique are in line with organizational culture and comply with law and other related regulations by communicating and driving all employees for maximum benefit and creating awareness among all employees and executives about various energy-saving measures both in the office and in the production process through regular training and public relations.

HaadThip purchased electricity from the Provincial Electricity Authority as the primary energy source for its offices and factories. The Company has implemented innovation and technology to develop work processes using renewable energy sources like solar energy, to produce power projected to replace electricity from the grid and lower the cost of acquiring energy in order to achieve efficient electricity usage.



While anticipating the opportunity to develop work processes with clean energy as an alternative energy in the production process and service, the Company has set energy consumption targets in the production process at not over 0.34 MJ/L_{bev} by 2024 and set a long-term energy reduction goal of no more than 0.31 MJ/L_{bev} by 2027. Moreover, the Company initiated projects in line with energy saving policy and foresaw the opportunity for working procedure development via clean energy for energy choice of production and service as follows;

- Installed solar rooftop on the roof of the production building and more than 9,000 floating solar panels at the Poonpin factory in Surat Thani Province. These installations contribute to renewable energy generation, accounting for up to 11% of the total energy consumption, and can reduce greenhouse gas emissions by up to 1,325 tCO₂e. Furthermore, there are plans to expand the installation of solar panels on office buildings and warehouses at the Hat Yai factories, aimed at promoting the use of clean energy and replacing coal-based energy sources. It is anticipated that the proportion of solar energy utilization will increase by up to 20% by 2027.
- Implemented a 100 kW solar panel system on the roof (On Grid) of the Hat Yai factory, resulting in energy savings of up to 8,580 kWh.
- Installed skylights in both the production and warehouse areas of the factory to reduce reliance on electrical lighting during daylight hours.
- Implemented the use of digital timers to automatically switch off electricity and air conditioning during lunch breaks and before/after working hours, as part of an energy-saving initiative.
- Implemented a project aimed at enhancing lighting efficiency by transitioning to LED bulbs and incorporating solar-powered lamps while upgrading the lighting system. This initiative targets the reduction of light usage in unoccupied areas.
- Executed a project to install a 10-bar air pump connecting Line 2 and Line 3 at the Poonpin plant. This initiative aims to enhance efficiency and decrease energy consumption, resulting in a 34% reduction in electrical energy consumption within the wind machine system, saving 1,138 kWh of electricity.

Greenhouse Gas Emission Management

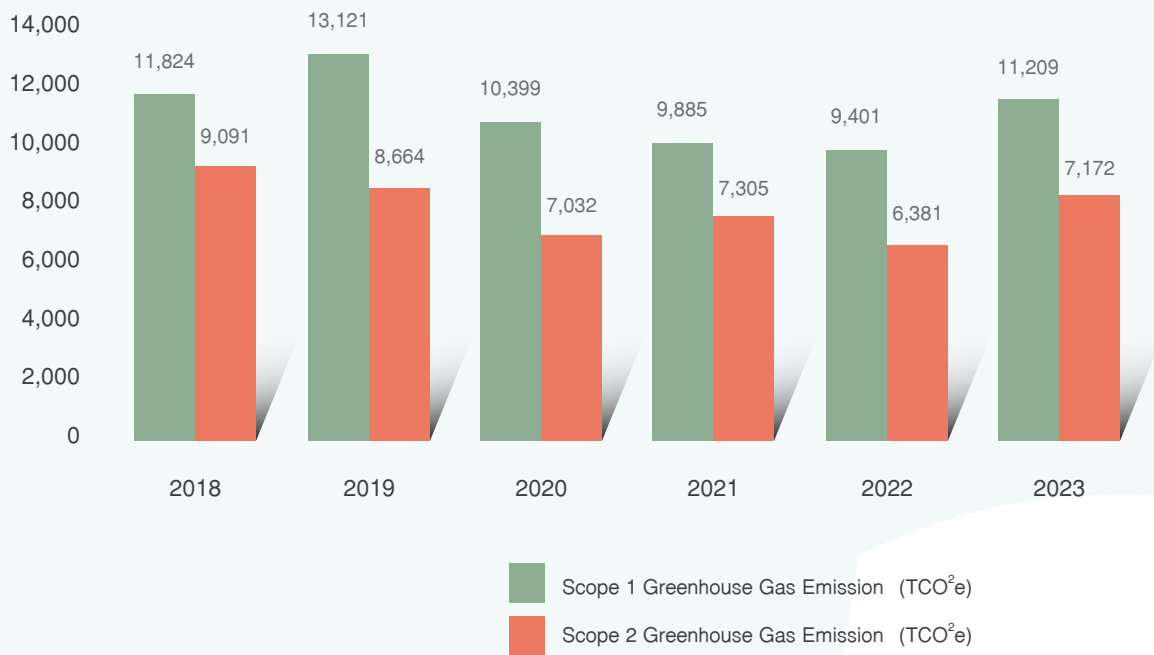
The issue of greenhouse gas emissions and global climate change has emerged as a critical environmental concern garnering attention from various stakeholders. HaadThip, as a producer and distributor of beverage products, recognizes the significance of this issue and acknowledges the rapidly evolving global landscape, which poses extensive environmental, societal, and communal challenges that cannot be overlooked. Consequently, a stringent policy has been implemented to regulate and diminish energy consumption while mitigating direct and indirect greenhouse gas emissions into the global atmosphere. This endeavor has been steadfastly pursued since 2013.

HaadThip has actively engaged in projects aimed at evaluating the organization's greenhouse gas emissions, seeking certification from the Thailand Greenhouse Gas Management Organization (Public Organization) or TGO annually. This certification process involves verification by accredited agencies, including the Federation of Thai Industries, Center of Excellence for Eco-Energy (CEEE), Thammasat University, and independent auditors. The overarching objective is to achieve a 10% reduction in greenhouse gas emissions by 2025, fostering continuous emission reduction across the organization's entire supply chain

In 2023, HaadThip successfully attained certification from the Thailand Greenhouse Gas Management Organization (Public Organization) or TGO, detailing the greenhouse gas emissions from the organization's operational activities (CFO) during the 2022 operating year. For the Hat Yai plant and Poonpin plant, the emissions were categorized as Category 1 and Category 2, amounting to 15,782 tons of carbon dioxide equivalent. This includes direct greenhouse gas emissions (Type 1, Scope 1) totaling 9,401 tons of carbon dioxide equivalent, along with indirect greenhouse gas emissions stemming from energy usage (Type 2, Scope 2), accounting for 6,381 tons of carbon dioxide.

As of 2023, the total greenhouse gas emissions from both factories amount to 18,381 tons of carbon dioxide equivalent. This figure comprises direct greenhouse gas emissions, categorized as Type 1 (Scope 1), totaling 11,209 tons of carbon dioxide equivalent. Additionally, there are indirect greenhouse gas emissions resulting from energy usage, classified as Type 2 (Scope 2), amounting to 7,172 tons of carbon dioxide equivalent. This disclosed information will be processed to request certification and obtain a certificate from the Provincial Administrative Organization in the near future.

Greenhouse Gas Emission (TCO²e)



- Note:
- (1) Combined totals from the Hat Yai and Punpin plants.
 - (2) Represents the sum of Scope 1 and Scope 2 greenhouse gas emissions.
 - (3) The organization's 2023 greenhouse gas emissions are currently undergoing the certification process with the Greenhouse Gas Management Organization (Public Organization) (TGO).
 - (4) Emission factors used are based on guidance from the TGO.
 - (5) Scope 3 emissions and other indirect greenhouse gas emissions, are calculated and reported for carbon footprint in accordance with the guidance provided by Thailand the Greenhouse Gas Management Organization (Public Organization).
 - (6) Due to an increase in product sales and the expansion of our production base, the organization experienced a corresponding rise in greenhouse gas emissions.

“Care the Bear: Change the Climate Change”

HaadThip is one of 29 organizations actively engaged in combatting global warming. Through its participation in the “Care the Bear: Change the Climate Change” project initiated by the Stock Exchange of Thailand, HaadThip joins a collective effort aimed at reducing greenhouse gas emissions. This project endeavors to incentivize companies to list on the stock exchange while fostering environmentally responsible practices through the organization of eco-friendly activities, meetings, training sessions, and seminars. Adhering to the project's criteria, various measures are undertaken to minimize greenhouse gas emissions, such as curbing electrical energy consumption, promoting the use of public transportation, car sharing, advocating for virtual meetings, and encouraging the adoption of eco-friendly packaging, among others.

In 2023, HaadThip orchestrated a total of 40 activities as part of its involvement in the Care the Bear project. These initiatives contributed to a reduction in greenhouse gas emissions stemming from meetings, training sessions, and seminars by over 26 tons of carbon dioxide equivalent. Remarkably, this reduction is akin to the carbon dioxide absorption capacity of 2,936 trees annually.



HaadThip in the Climate Care Forum 2023

An event organized by the Stock Exchange of Thailand. The forum, titled “Time to Reduce: Reduce-for-the-World,” aimed to recognize listed companies committed to greenhouse gas emissions reduction. It also sought to emphasize the urgency of resource management and encourage all sectors to prioritize reduction efforts. This aligns with Thailand’s ambition of achieving carbon neutrality by 2030 and net zero greenhouse gas emissions by 2065. The event included an opening ceremony and the recognition of 29 Climate Care Platform member organizations, including HaadThip, for their consistent efforts in greenhouse gas reduction. The ceremony took place at the Sukree Kaew Charoen Auditorium, Stock Exchange of Thailand.

HaadThip stands among the 29 organizations praised for their dedicated and exemplary approach to greenhouse gas reduction within the Climate Care Forum 2023. This recognition underscores the seriousness and commitment demonstrated by these organizations, including HaadThip, in reducing greenhouse gas emissions. Their ongoing and tangible efforts through projects like Care the Bear serve as models for other entities, showcasing concrete actions toward environmental sustainability.



Water Resource Management

- **Water Resource Policy**

Water, as a vital natural resource essential to human life, holds paramount importance for HaadThip, serving as the primary raw material in our operations. Recognizing its limited availability, we are acutely aware of the potential ramifications of water scarcity. To address this concern, HaadThip has established dedicated working groups and departments tasked with ensuring efficient water management and minimizing resource loss. We have formulated comprehensive goals and strategies spanning the entire water cycle, from its sourcing to its utilization, aiming to achieve stability and cost-effectiveness in water resource utilization. Additionally, we are committed to implementing a water reuse system, striving for 100% utilization efficiency. Furthermore, we continuously promote awareness of water resource management throughout our supply chain, fostering a culture of sustainability for a resilient food chain system.

In 2023, HaadThip sourced a total of 612,658 cubic meters of water from groundwater and tap water for organizational activities, marking an 11.09% increase from the previous year, driven by heightened production volumes at both factories. Concurrently, we have set a target for water usage in the production process for 2024, aiming not to exceed 1.57 liters per liter of beverage produced (L/L_{bev}). Over the next five years, our long-term goal is to further reduce water wastage, aiming for a usage rate not exceeding $1.39 L/L_{bev}$ through various strategic initiatives aimed at maximizing water resource utilization and minimizing wastage.

- **Risk Assessment of Water Resources, Process or tool for assessing risks and impacts on water resources**

Groundwater serves as the primary raw material in the production of products. The expansion of businesses, communities, and the environment that depend on local water sources could all be affected if water resources are not managed effectively. The Company evaluates the risk to water resources in conjunction with a team of specialists from Prince Songkla University. The assessment is carried out by external auditors every five years and by internal experts annually for the purpose of

preventing, reducing the impacts related to water resources on business operations, communities and the environment and developing plans for sustainable water resource management in the future.

The risk assessment on water resources found that the company's operations had no impact whatsoever on the area's water resources, as there was no consumption of water from a high stress source. There are further initiatives to support the efficient use of water in addition to the aforementioned ones.

- o Project of Water consumption reduction for production line machinery
- o Plate Heat Exchanger Installation in the production line to cut wastewater loss by more than 1,050 m³ or by 100%.
- o Installation of water consumption meters at the Punpin factory to prepare water balance to ascertain the overall water loss at various sites where the meters have been installed as well as the amount of water consumed. The calculations are done to determine the most cost-effective and beneficial water use as well as solutions to minimize water loss.
- o The UF Backwash Recovery project underscores the significance of resource utilization optimization to derive maximum benefits. This initiative focuses on repurposing backwash water to curtail overall water consumption. Through project implementation, it was determined that up to 44,513 cubic meters of water could be reclaimed, resulting in a notable 9% reduction in water usage in alignment with the organization's water conservation policy.
- o The project of redesigning and refining the glass bottle cleaning nozzles at the Hat Yai factory exemplifies our commitment to water conservation. By downsizing the original nozzle size from 3 mm to 2 mm, the project achieves a reduction in water usage by 2 cubic meters per hour. Consequently, this innovation facilitates a substantial water savings of up to 918 cubic meters over the course of the 2023 operational year.

• **Waste Water Treatment**

The Waste Water Treatment system from the production process of both Hatyai factory and Punpin factory is the state-of-art “Waste Stabilization Pond”, a wastewater treatment system that relies on nature for treatment using anaerobic bacteria to decompose organic contaminants. The treatment pond can accommodate the sufficient wastewater to meet the production capacity. The wastewater that has been treated from both factories meets the standards. Before being released to the natural sources, the treated water is controlled and monitored with the BOD Online system that transfers at to the Department of Industrial Works at all times. Waste water inspection has not only been implemented at the Company’s laboratory, a certified private analytical laboratory, but effluent samples have been also sent to an external fully-equipped academic center for regular inspections in order to build confidence and reliability of the analysis results of the treated wastewater.

Waste Water Treatment



Waste and Pollution Management

Waste management and packaging management within the organization:

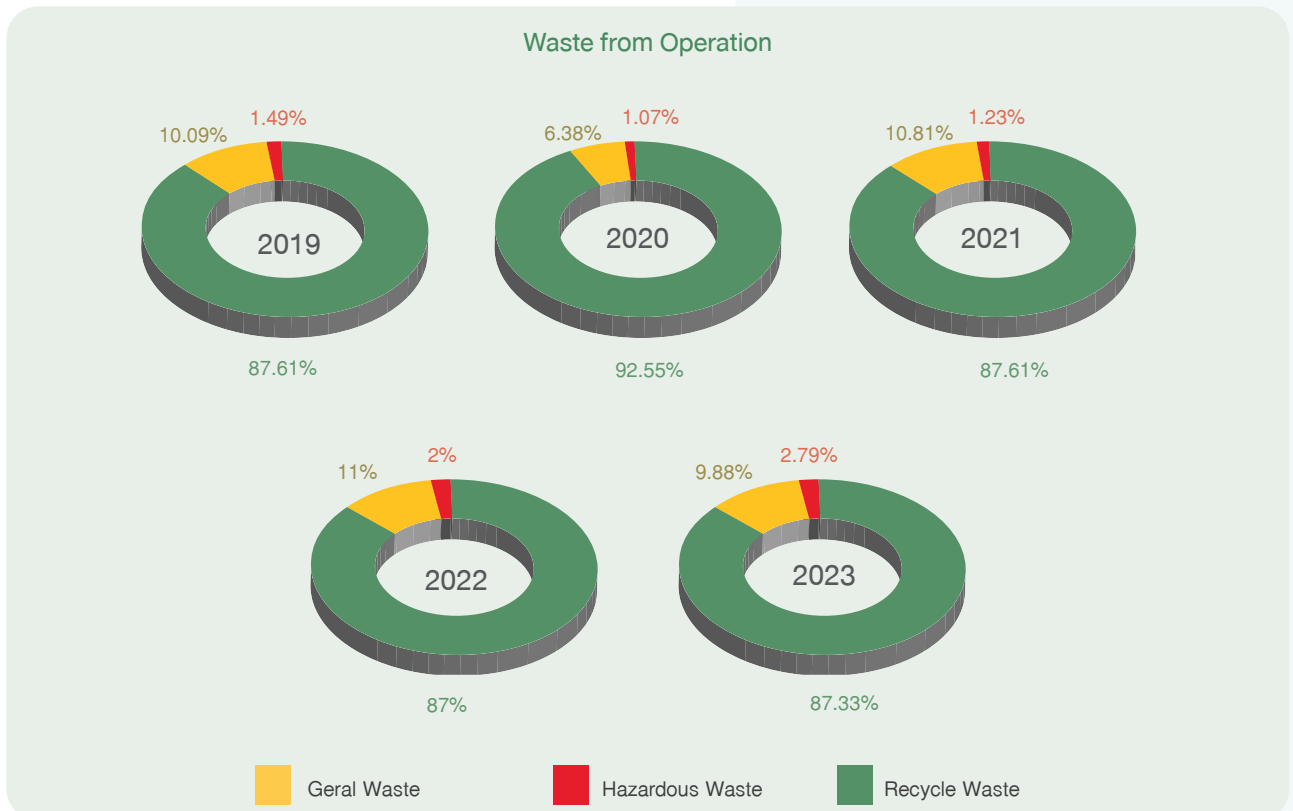
The global plastic waste crisis has garnered significant attention and collective efforts for resolution. With the annual increase in plastic waste generation, Thailand faces similar challenges to other nations worldwide, ranking sixth in marine trash and solid waste production, amounting to up to 2 million tons of plastic waste.

As a producer and distributor of beverages packaged in PET plastic bottles, Haadthip acknowledges the gravity of this issue and has been actively engaged in addressing plastic waste from beverage packaging. To mitigate the environmental impact, HaadThip has established clear goals and business strategies for waste and leftover material management, aiming to minimize disposal through incineration or landfill. Embracing the principles of the circular economy, HaadThip has initiated impactful projects such as the Recycling Bank Project. Additionally, the company has implemented the HTC Model “The Circular Waste Journey,” which includes activities like “Pan Pao Pa,” utilizing machines to shred food scraps for composting, fostering a culture of waste separation, and disseminating knowledge about waste management to employees. These initiatives are designed to instill a sense of social responsibility among employees and promote behavioral changes in waste disposal practices. Furthermore, HaadThip encourages all stakeholders to actively participate in the recycling process by returning used packaging for recycling.

Solid waste Management Policy at plants

HaadThip has plans to manage waste or residual materials from activities to ensure the most efficient resource consumption with minimal impact on the environment. The Company also urged all employees to be aware of social and environmental responsibility in all activities out throughout the supply chain. The programs include a recycling bank, sorting waste bins in factories and office locations, and teaching personnel about waste separation. The SCG certified the Company ISO 14001:2015, which states that the certified organizations must have guidelines for waste management in factories based on international standards. For proper waste transportation and disposal, an external service authorized by Department of Industrial Works was contracted by the Company.

In 2023, the total amount of waste generated by all corporate activities was 1,103,802 kilograms, of which 30,802 kilograms were hazardous waste, 1,073,000 kilograms were non-hazardous waste, including 109,068 kilograms of general waste, and 963,932 kilograms were recycled, accounting for 87.33% of the recycling rate.



Waste Management Operations

HaadThip created waste management manual and provided training for all employees to source and manage waste effectively and set target to increase waste recycle by 90% and to decrease general waste by 10%. Moreover, the Company has guideline for sourcing and managing waste.

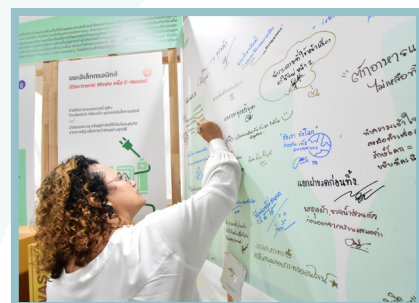
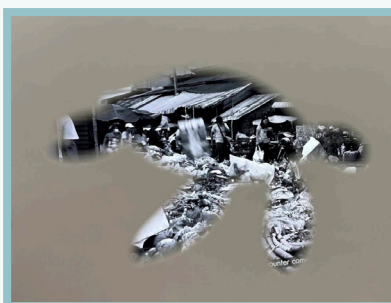
HaadThip's "The Circular Waste Journey" project encompasses a comprehensive array of activities aimed at fostering awareness and promoting waste separation practices throughout the organization. This initiative is structured to engage all levels of the company and includes the following key components:

- HaadThip Model Video Production:** A video has been created to introduce and promote the project, emphasizing the core concept of "reduce, separate, circulate, habituate." This video serves to raise awareness and encourage proper waste separation practices, particularly focusing on reducing plastic usage.
- Standardized Trash Can Provision:** As part of the project, standardized trash cans have been strategically placed across various locations within the Hat Yai factory, Poonpin factory, and all company branches. These trash cans adhere to uniform standards and have been piloted to ensure consistent waste separation practices. Additionally, steel frame facades have been installed, accompanied by clearly labeled stickers to facilitate proper waste categorization.

Location	Trash can site (points)	media campaign promoting waste classification (points)
Hat Yai	13	19
Punpin	4	4
17 Branch Office	17	34
Bangkok Office	4	-



- Organize the Exhibition: "HTC Model: The Circular Waste Journey":** HaadThip has hosted an exhibition titled "HTC Model: The Circular Waste Journey," focusing on the circulation of waste to promote balanced resource utilization and responsible resource management. The exhibition featured engaging activities, including gaming sessions with opportunities to win prizes and interactive coloring stations aimed at engaging young children. Furthermore, a band from Prince of Songkla University performed Folksongs, adding to the vibrant atmosphere of the event. The exhibition comprised six zones, each addressing various aspects of waste management and resource utilization: World Without Waste Policy and cultivating contributive behavior for a waste-free world. Waste Flow chart: Illustrating the journey of different types of waste and the significance of proper waste separation. rPET Production Process: Demonstrating the process of reusing waste materials, particularly focusing on PET plastic recycling. Impact of Marine Debris: Emphasizing the consequences of inadequate waste sorting and the detrimental effects of marine waste. Circular Economy Promotion: Advocating for the principles of the circular economy and showcasing innovative upcycling inventions. Participant Engagement Boards: Providing a platform for exchanging ideas and fostering dialogue among exhibition attendees.



4. **Public Relations Campaign and Knowledge Dissemination:** HaadThip consistently engages in public relations efforts and disseminates informative tips to promote waste separation practices. Through the distribution of posters and online channels, we strive to raise awareness at least once a month, emphasizing our commitment to environmental stewardship with the message, “HaadThip people love the world. Stop using single-use plastics and foam.” Following this, the “Pan Pao Pa” activity was organized, inviting HaadThip employees to actively participate in the reduction of single-use plastics and foam food containers. Additionally, a game titled “HOW TO Throw...Throw in the correct bin” was introduced to enhance awareness and foster proper waste separation practices among HaadThip personnel and affiliated companies. Through these initiatives, we aim to instill a sense of responsibility and collective action in addressing environmental challenges, encouraging all stakeholders to join hands in finding solutions together.



5. **Enhancing the Waste Bank Project:** Promoting and enhancing the waste bank project is vital for fostering a sustainable society and ensuring a future that prioritizes sustainability. On November 24, 2023, the Recycling Bank launched its upgraded version, inviting new members to join and offering opportunities to win prizes during the event. (Conditions for new member recruitment include bringing 54 plastic bottle caps, symbolizing HaadThip's journey spanning over 54 years, and donating them to the bank to apply for membership. Participants are eligible to receive a charming souvenir such as a “soft blanket” crafted from fibers upcycled from plastic water bottles.)



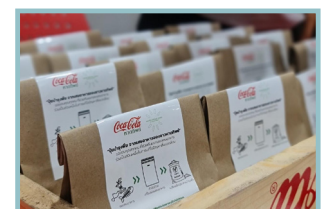
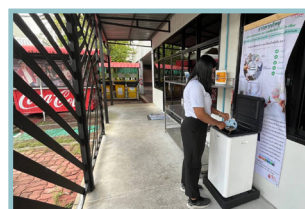
The performance of the Recycling Bank in 2023 is summarized as follows:

- o 63 employees applied for new membership
- o A total of 29,106.15 kilograms of recycled materials were collected.
- o The total value generated for the year 2023 amounted to 87,300.32 baht.



6. **Procure a Machine for Shredding Food Scraps**

To enhance waste management practices, a food waste shredder machine has been acquired and installed in the cafeteria area of the Raj Riya Building (Hat Yai Plant). This enables employees to conveniently separate food scraps from containers. Once the food scraps are processed, the resulting soil improvers are utilized either for nourishing plants within the factory premises or distributed to employees for home use. Since its installation, the food waste shredder has effectively processed up to 12 kilograms of food scraps over a period of 4 months, yielding a total of 7.6 kilograms of soil improvers as a byproduct of the food waste disposal process.



The outcomes derived from the aforementioned projects can significantly contribute to raising awareness and fostering participation in environmental conservation efforts within both the business and broader society. HaadThip staff and participants alike serve as exemplary models, showcasing ideas and actions aimed at cultivating a culture of waste separation and emphasizing the importance of creatively and sustainably repurposing recycled material

3.4 Social Sustainability Management

3.4.1 Social Policy and Guidelines

Human Rights Policy

The Company is committed to complying with human rights principles and strictly adheres to the law and international principles particularly the United Nations' Global Compact (UNGC) and the International Labor Organization (ILO)'s Declaration on Fundamental Principle and Rights at Work to prevent human rights violations in all activities. This policy also applies to all stakeholders across the supply chain as well as all business associates and suppliers. The key points are as follows:

- (1) The Company places a high value on fundamental human rights as well as equality in all areas.
- (2) The Company is aware of actions that may be associated with or constitute a danger to human rights concerns, such as corruption, unlawful employment, and processes affecting children, youth, and/or neighboring communities, among other things.
- (3) In terms of employment, the Company ensures equal opportunity and does not discriminate against nationality, race, age, gender, color, belief and political opinions, including those who need special care, such as women, migrants and people with disabilities, to whom the Company will provide facilities as appropriate to ensure the inclusiveness in the workplace.
- (4) The Company offers training and skill development programs as possibilities for employee to advance in their career. There are also Career Advancement Schemes as well as recruitment, selection, training, promotion and fair termination in conformity with international practices.
- (5) An effective justice mechanism was designed to prevent human rights violations with an emphasis on the process of finding solutions with participation of the affected and the Company or having a third party to join in the mediation without harming the whistleblowers
- (6) The Company placed emphasis to human rights and stressed that fundamental rights of employees and all groups of stakeholders would be treated, protected and respected equally and fairly by adhering to the following guidelines:
 - Communicate, disseminate, and provide knowledge and understanding to all employees and executives including stakeholders across the value chain.
 - Instill the sense of responsibility in all employees and staff. If they witness an action deemed as human rights violation, they must not ignore but have to report to superiors or persons in charge and be willing to cooperate in the investigation of facts.
 - Ensure fairness and protection of persons who report human rights violations in conformity with Whistleblower Protection Policy.
 - The Company is dedicated to fostering and maintaining corporate culture that values human rights. If any conduct resembling violation human rights is uncovered, it will be considered unethical and a breach of regulations and will be subject to disciplinary action as specified as well as legal penalties.

Those interested can learn more about human rights regulations and guidelines on the HaadThip website <https://www.haadthip.com/en/about/good-corporate-governance>

Personnel Care and Development Policy

The Company has instituted a policy to take care of employees from the beginning until retirement. When a person joins as an employee, he/she is considered as a member of the HaadThip family under the principles of fairness, morality and ethics, regardless of gender, race, religion, any disability. The Company will provide guidance in terms of performance, adjustment and development to help employees reach their full potential and be ready to work efficiently and effectively.

The Company also offers fringe benefits and welfare appropriate for current circumstances in response to changes and disruptions along with potential development system so that employees can deliver effective performance such as the introduction of human resource management technology (MyHR system) which may save time and empower employees to be adept in the use of technology. Among the numerous strategies to assist career progression to match work duties is one to care for retiring personnel. Retirees are still regarded as important members of the Haadthip family. They can continue to utilize the area for activities and to buy things at employee prices. A career advancement project after retirement gives information and supporting equipment for a career that will allow them to live a pleasant retirement life.

ขอเชิญพนักงานหาตทิพย์
Mr. Guest Speaker พิเศษกับการบรรยายในหัวข้อ

พลังของผู้บริหารเปลี่ยนแปลง

The Power of Transformational Leadership

วันพุธที่ 15 กรกฎาคม 2566
09:30 - 12:00 น.

ณ ชั้น 8 MS Teams

คุณวิเศษ หายนุตสาห์

- ประสบการณ์ทำงานในองค์กร ระดับ 40 ปี
- ผู้ก่อตั้ง และประธานเจ้าหน้าที่บริหาร บริษัท เดอะ ภูเก็ต จำกัด
- กรรมการอิสระ บริษัท ปตท. จำกัด (มหาชน)
- กรรมการบริหาร บริษัท แอสเม็ค จำกัด (มหาชน)
- ผู้จัดรายการพอดแคสต์ Super Productive, Mission Daily Report, Mission to the Moon, 5 Minutes Podcast และมีเขียนหนังสือกว่า 10 เล่ม

“ผู้เริ่มก่อตั้ง “เดอะภูเก็ต” และ “ผู้จัดรายการพอดแคสต์” สำหรับผู้เข้าร่วมกิจกรรม On-site และ Online”



Labor Social Responsibility Policy

Recognizing the importance of employees and staff as the primary driving force for the Company's advancement and sustainable growth, the Company focuses on providing employees with workplace safety and rights that go beyond what is required by law, including the right to freedom based on human rights principles. The policy is outlined below:

- (1) **Forced Labour:** The Company emphasizes employment policies and labor management in compliance with international standard norms, universal human rights and basic rights. The Company will not engage in or support the use of any forms of forced labor. These following conducts are strictly prohibited in the Company: acts of coercion, abuse, threat, use of force, violence, seizure of identity documents causing fear or harm to life, body, liberty or property or the use of penalties for involuntary work or the use of debt to bind someone to work, while the obligation of debt is wrongful for employees and staff. Hiring and recruitment must adhere to the Company's credentials, knowledge, ability, performance, and work requirements.
- (2) **Discrimination :** The Company values differences and treats employees and staff equally, without discrimination or adverse or unfair denial of rights based on race, nationality, race, color, religion, socioeconomic status, sex/gender, age, handicap or invalidity, political ideology, or marital status.
- (3) **Child Labour:** The Company will not use forced labor in any form, will not engage in the use of illegal labor, and will follow labor laws and related regulations regarding the minimum age of employees and staff in cases where the individual is legally permitted to work. Minors under the age of 18 will not be hired, according to Company's policy.
- (4) **Women Labour:** Recognizing and prioritizing female workers who are pregnant or breastfeeding, the Company focuses on workplace safety, the health of female employees and children, and ensuring that they have rights beyond those necessary by law, including the following details:
 - 4.1 Supervisors are notified to adjust the job for pregnant employees or staff whose nature of work may affect the pregnancy or if the treating physician believes that the nature of work must be changed to make it fit for their health condition.
 - 4.2 The Company encourages breastfeeding and allows staff to take breaks during the day to pump milk if necessary. Milk breast-feeding or pumping time is considered as working hours, and a storage area for breast milk is also provided.
 - 4.3 The Company will not fire off employees, lower their ranks or benefits due to pregnancy.
- (5) **Labour relations :** The Company respects employees' freedom to establish or join organizations and will not interfere with or obstruct any legitimate actions of the employees and staff.
- (6) **Sexual Harassment :** The Company will take action against sexual harassment or abuse. There are policies and procedures in place to prevent and handle sexual harassment and abuse or work-place related problems.
- (7) **Workplace Violence :** The Company will take action against violence by implementing measures to prevent and stop violence in the workplace as a specific practice.
- (8) **Occupation Safety and Health :** As required by law, the Company will ensure that employees are safe at work. Employees have the right under the law to decline tasks that are risky due to unreliable machinery and tool conditions, hazardous surroundings, or inadequate safety measures by notifying the supervisor of safety officers at all levels and demanding the persons in charge to take prompt action to correct the danger. The supervisor should assign appropriate work to the employee in accordance with his responsibilities while waiting for the resolution as a specific action.

Children Rights and Freedom Policy and Guidelines

With special regard to corporate governance and good ethics, all requirements and laws, HaadThip operates according to the United Nations Universal Declaration of Human Rights, modern slavery laws and the International Labor Organization Convention, while taking into account transparency, good morals, protecting the rights and freedoms of employees including their families and organizations with which Haadthip has entered into a supplier contract. It also focuses on protecting the rights and welfare of children who may be impacted by business operations across the supply chain by demonstrating the responsibility of all stakeholders from upstream to downstream in accordance with the Children's Rights and Business Principles (CRBP) to establish a commitment and guidelines in response to important issues for a sustainable future for children.

Furthermore, the Company has encouraged youngsters under the age of 18, as well as students in academic institutes, to learn and gain experience through various projects such as English Camp, Sprite Music, and sending staff as speakers as requested by educational institutions. The Company provides accommodations for employees so that they may care for their children and found a solid family institution. On National Children's Day, the Company also gives gifts to employees' children and awards scholarships to ease parental burdens and ensure access to great education at all levels.



Maternity Leave policy

HaadThip's employees have the right to take maternity leave under the Company's policy. By 2023, it also plans to implement a policy allowing male employees to take pre-and post-natal leave to take care of their children and spouses. According to labor legislation, the Company enables workers to take maternity leave for a maximum of 98 days, with regular salary payments to employees for a total of not more than 45 working days and social security contributions for a total of not more than 45 days according to the labour law.

In 2023, there were 12 female employees who used maternity leave rights and returned to work after exercising all 12 rights, representing 100% of employees who returned to work after taking maternity leave. The Company has offered training programs for mothers on how to take care of their health and their children and how to raise a newborn child including after giving birth. The Company has also arranged gift sets to welcome newborn babies as a way of wishing them a good life quality and a healthy environment to thrive.



Policy on employees with disabilities or invalidity

The Company has a policy to hire people with disabilities or persons with disabilities in an acceptable ratio to work in accordance with the nature of the work. According to the Empowerment for Persons with Disabilities Act B.E. 2550 regulations, employers or owners of businesses with more than 100 employees are required to hire people with disabilities who are capable of working in any position at a ratio of one disabled person for every 100 non-disabled employees. If there are more than fifty people out of a small group of one hundred, the employer must take on one additional person with a disability. Per each 100 persons, there must be one person with disability. If there are more than fifty applicants with impairments from a pool of less than one hundred, the employer must take on another disabled applicant. Annual contributions to the Fund for Empowerment and Development for People with Disabilities B.E. 2554 are required from the employer or business owner.



Diversity and Inclusion Policy

Haadthip Public Company Limited and its subsidiaries are dedicated to fostering equal opportunities and fair treatment. We champion a culture of diversity across all levels of our operations, recognizing and embracing the varied backgrounds and characteristics of our personnel, including race, nationality, age, disability, gender, physical and mental abilities, culture, religion, and economic status. We firmly believe that this commitment to diversity not only enriches our organizational fabric but also serves as a catalyst for nurturing and advancing talented individuals. This, in turn, enhances our workforce's effectiveness and contributes to the overall growth of our business.

Aligned with our ethos of promoting diversity and embracing differences, we ensure that all employees are treated with parity and respect. No individual should feel marginalized or excluded within our organizational framework. To uphold these principles, we hereby declare our resolve for all departments to adhere to the following:

1. Respect and acknowledge differences while treating all employees equitably, impartially, and with dignity.
2. Foster and champion diversity across all roles within the organization, including the advancement of skills, abilities, experiences, and other unique attributes of each employee.
3. Adhere rigorously to human rights legislation, ensuring equal opportunities and preventing discrimination as mandated by relevant laws.
4. Implement the policy consistently across recruitment, promotion, and other personnel-related processes, maintaining a discrimination-free environment.
5. Transparently communicate the policy with stakeholders to foster a network dedicated to promoting diversity and embracing differences within the organization.
6. Empower all employees to uphold the policy, fostering a culture of inclusivity and mutual respect while actively preventing discrimination and harassment.
7. Hold supervisors accountable for ensuring a safe and inclusive workplace by proactively monitoring and addressing grievances and complaints in line with the policy.
8. Regularly assess the effectiveness of policy compliance through evaluation by the Corporate Governance unit, reviewing evaluation methods at least annually to ensure ongoing efficacy.

Furthermore, the Company has enhanced employee welfare through the introduction of the “Company Welfare Regulations for LGBTQI Employees,” underscoring its dedication to fostering equality within the organization. These regulations ensure parity and inclusivity by extending welfare benefits to employees within the gender diversity spectrum, mirroring those provided to employees with traditional spouses. Such benefits encompass wedding allowances, family housing privileges, as well as welfare provisions for employees' children—whether biological or adopted—including scholarships and gifts on various occasions.



หาดทิพย์

หาดทิพย์ได้ประกาศเจตนาแนบแน่น และแสดงความมุ่งมั่นที่จะสนับสนุนความเท่าเทียมทางเพศ สิทธิมนุษยชน และความหลากหลาย เช่น เพศ ศาสนา วัฒนธรรม เชื้อชาติ สัญชาติ การศึกษา ให้มีโอกาสที่เท่าเทียมกัน

หาดทิพย์ ตระหนักและให้ความสำคัญกับความเสมอภาคของคนทุกระดับ ในการเข้าถึงทรัพยากร และโอกาสต่าง ๆ อย่างเท่าเทียมและเป็นธรรม โดยคำนึงถึงความแตกต่างบนพื้นฐานของการเคารพในหลักสิทธิมนุษยชน และศักดิ์ศรีของความเป็นมนุษย์

HaadThip has announced our intention and commitment to support gender equality, human rights and diversity such as gender, religion, culture, race, nationality and education for equal opportunity.

HaadThip recognizes and values equality for people at all levels to have equitable and fair access to resources and opportunities considering differences based on respect for human rights and dignity.

พลตรี พิชร รัตตะกุล
ประธานเจ้าหน้าที่บริหาร

PRIDE MONTH

Women Empowerment Projects

This initiative aims to empower women for transformative change. Its goal is to arm women with knowledge and foster positive empowerment, while also promoting awareness of gender equality, women's rights, and leadership skills. Additionally, it seeks to cultivate confidence among women, providing them with a platform to voice their opinions and effect positive change in both their own lives and the broader community.

Project Unleashing Potential and Inspiring Women

- o Weaving Bags with Synthetic Rattan Rope: This activity involves utilizing synthetic rattan rope, a material crafted from PET bottle caps mixed with latex. It serves as a platform for providing career training to our employees, allowing them to utilize their free time productively while generating additional income for their families.
- o Production of Alms-Scattering Coins and Sandalwood Flowers: This initiative offers career training opportunities for our employees while simultaneously fostering volunteerism within the community. Through the creation of these items, individuals gain valuable skills and contribute to their family's financial well-being.
- o Women's Shop Empowerment Project: Continuously striving to empower local stores, this project focuses on providing knowledge and support to enhance their operations and drive sales. In 2023, activities were organized to visit participating stores, with representatives from UN Women (Thailand) actively engaging in these endeavors.
- o Project Women's Empowerment for Driving Organization: Featuring a special lecture titled "Promoting Women's Leadership within Organizations" by Ms. Kobkarn Wattanawangrun, Chairman of the Executive Board of Toshiba Thailand Company Limited and Chairman of the Board of Directors of Kasikorn Bank. This lecture aimed to promote and support women executives within organizations, fostering a culture of gender equality in alignment with international standards, as outlined in the Women's Empowerment Principles (WEPs).



Personal Data Protection Policy

HaadThip Public Company Limited and its affiliates are aware of how crucial data security is. As a result, the Company has formed a Personal Data Protection Policy as guidance on how to handle personal information, including the collection, storage, use, and disclosure of personal information as well as the rights of the data owner. Data owners are made aware of the Company's policy on protecting personal data. HaadThip released the following information about its personal data protection policy:

1. Definition

- Personal data means information about an individual that can be used to directly or indirectly to identify him/her but it does not include information about any specific deceased person.
- General personal data include
 - a. Personal data such as first name and surname, date of birth, status, details on identification card, passports or copy of ID card, ID card number.
 - b. Contact information includes address, telephone number, Line ID, social media contacts, workplace, job title, agency or organization.
 - c. Information about use of electronic systems includes e-mail addresses, IP addresses, browser type and cookies, chat history in various applications.
 - d. Information that you have given to the Company when you contact or take part in any activities, etc.

- Sensitive personal data are true personal data but sensitive and can leave a person vulnerable to unjust discrimination. In accordance with the Personal Data Protection Committee's announcement, sensitive data includes race, ethnicity, sexual orientation, criminal history, political opinions, doctrines, religious or philosophical beliefs, health information, disability, union information, genetic data, biological data, biometrics, and any other information that has an impact on the data owner in a similar manner.

2. Collection of personal information

The Company shall collect personal information with objectives and scope using lawful and fair means. The data collected will be used only to serve the Company's purpose. The data subjects shall be informed to acknowledge and give consent electronically or as determined by the Company. Unless the collection of sensitive personal data falls under an exception allowed by the Personal Data Protection Act B.E. 2562 or other regulations, the Company must get explicit consent from data subjects before collecting sensitive personal data.

3. Purpose of collecting or using personal data

The Company will gather or utilize the data subject's personal information for the company's operations, such as contracting out, making financial transactions, activities, and coordination, or to boost productivity by improving the quality of work such as the preparation of analytical databases and development Company's operation process and for any other purposes that are not illegal and/or to comply with laws or regulations pertaining to the Company's operations. The Company will store and use such information for as long as necessary according to the purpose that has been notified to the owner of the information or as required by law. The Company will not do anything different from the purpose specified in the collection except

3.1 The Company has informed of the new purpose and obtain consent from the data owner.

3.2 The data collection complies with Personal Information Act or other pertinent laws.

However, if the purpose of collecting personal data changes, the Company will notify the data owner and take any other necessary legal actions including providing additional amendment records as evidence.

4. Personal Data Disclosure

The Company will only share personal information with other third parties with permission and in a manner that furthers the aforementioned goals. However, the Company may need to disclose personal information of the data subject to affiliates or other domestic and foreign parties, such as service providers, for the purpose of operations related to personal information in order to benefit the Company's operations and provide services to data owners. When providing personal information to such parties, the Company will ensure that they maintain the privacy of that information and do not use it for any other reasons than those that the Company has authorized.

The Company may disclose data subject's personal information in accordance with the criteria prescribed by law, such as disclosing information to government agencies or regulators upon legal requests for disclosure such as requesting information for prosecution or legal action or private agencies or by other third parties involved in legal proceedings. The Company will strictly adhere to the Personal Data Protection Act B.E. 2562 in the event that personal information is transmitted to foreign countries.

5. Personal Data Protection

The Company has set a number of measures for personal data security that are in accordance with laws, regulations, rules and practices for protection of personal data for Company employees and other related persons. Employees are encouraged and supported to be knowledgeable about their roles in gathering, storing, using and disclosing of personal information of data subjects. Employees are required to abide by the policies and guidelines for personal data protection as specified so that the Company can accurately and effectively follow the policy and regulations on personal data protection.

6. Owners' Rights in Personal Data

The following are the options available to the owner of personal data:

- 6.1 Right to revoke consent for the processing of personal data after giving it. The collection, use, or disclosure with consent will not be impacted by the withdrawal of consent.
- 6.2 Right to access personal data and seek a copy of personal data including requesting disclosure of the acquisition of personal data without consent among other things.
- 6.3 Right to correct personal data
- 6.4 Right to have personal data erased
- 6.5 Right to suspend the use of personal information
- 6.6 Right to transfer personal data
- 6.7 Right to object to how personal data is used

The data owner may request to exercise the rights listed above by making a written request to the Company or by sending electronic mail via "Contact channel" below. The Company will examine the request and respond within 30 days from the date of receipt. Rights of data subjects may not be granted as needed by law.

7. Data Retention Period

Your personal information will be retained by the Company for as long as required to fulfill the purposes for collection, use, and disclosure set forth in this notification. The factor used to determine the storage period is the extent that the Company has a relationship with you as a customer of the Company and the data may be kept for as long as required by law, the legal statute of limitations, the establishment of legal claims, compliance with laws, the exercise of legal claims, the raising of legal claims, or for other purposes in accordance with the internal policies and procedures of the Company. The data will be kept for as long as might be anticipated in accordance with the standards of collection, such as a maximum legal limit of 10 years, if the retention time of personal data is not clearly indicated.

8. Information Technology Security Policy

In accordance with the Company's information technology security policy and practices, the Company has put in place suitable and stringent safeguards to ensure security, preventing the loss, unauthorised access, deletion, use, conversion, modification, or use of personal data.

9. Review and change of personal data protection policy

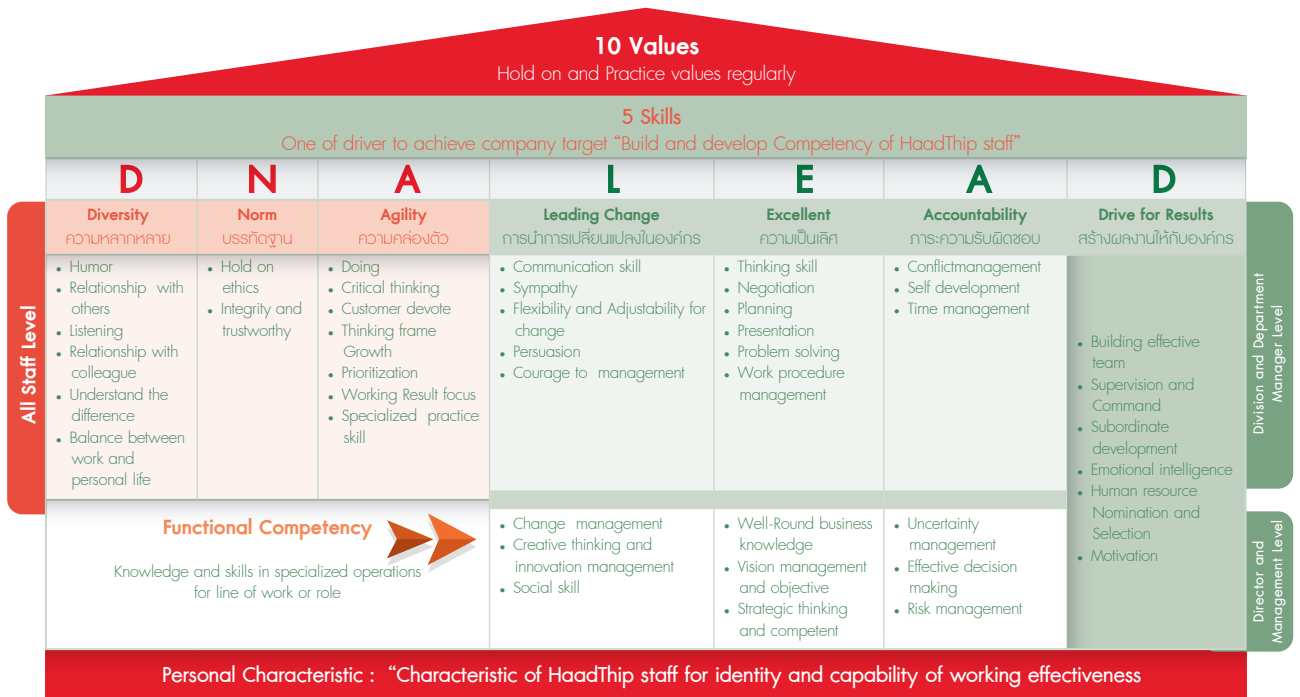
The Company may periodically update or modify this policy in order to comply with changing legal requirements, operational changes, and suggestions and opinions from other bodies. If something changes, the Company will properly notify everyone involved.

10. Company contact channels

In pursuant to the Personal Data Protection Act B.E. 2019, the Company appointed a Data Protection Officer (DPO) to oversee operations relating to the collection, use and disclosure of personal data in accordance with the Personal Data Protection Act B.E. 2019 including laws related to personal data protection. The contact channels are found below:

- Data Protection Officer
- Phone number 074 -210008 ext. 1188
- E-mail at dpo@haadthip.com
- Postal address: No. 87/1 Kanjanavanich Road, Ban Phru Subdistrict, Hat Yai District, Songkhla Province 90250
- Contact us via online channels at www.haadthip.com

Personnel Training and Development Policy



Picture: HaadThip Competency Framework

HaadThip values growing potential, upgrading skills, knowledge, and capacity of staff at all levels to cover and connect with business goals so that employees can pass on their worth to the organization and expand their competency and skills to operate effectively in the present and future. Regular trainings provide possibilities and future progress to staff at all phases of their careers. In 2023, the Company embraced the organization's vision, mission, strategy, and 5 skill clusters as principles for building the HaadThip Competence Framework for human resource development, which includes 15 DNA competencies and 30 Leadership competencies. Human Resources Development has created a competency guide based on this conceptual framework to interact with employees and provide instructions so that competencies are developed in a unified direction. In addition, the Company has developed an Individual Development Plan (IDP) for employees to plan for their self-development in accordance with the organization's target competences and work-related capabilities. As a result of the aforementioned personnel development guidelines, employees will be developed methodically in accordance with the visions, missions, strategies, and five skill clusters for which the Company has already built the groundwork.

The Company has talent development program to develop potential staff. The staffs are selected by their performance and potential through many methods including onsite training, online training subscription and executive mentor.

The Company's training courses in 2023 to improve employees' working skills and potential can be classified as corporate culture, quality safety and environment system, skill development, supervisory skill development, and social responsibility. There were 128 internal training courses and 68 external training courses, for a total of 196 courses, and the average training hours for male and female employees were 1.79 hours/person/year and 3.00 hours/person/year, respectively.

o Training Courses for Skill Enhancement 2023

Types of Training Programs	Number	Budget (Baht)
Corporate Culture	3	37,000
Quality, Safety and Environment System	31	1,795,000
Skills Development	157	3,570,000
Supervisory Skills Development	5	2,475,000
Social Responsibility	-	-
Total	196	7,877,000.00
Staff level		Budget (Baht)
Chief Executive Staff		2,684,000
Managerial Staff		3,070,000
Operating Staff		2,123,000
Total		7,877,000

Remark: Information as of 1 January 2023-31 December 2023

In 2023, an operational plan was formulated, outlining long-term objectives spanning 3 to 5 years in the domain of personnel training and development. Aligned with HaadThip's overarching policy of fostering a learning organization and a culture of continuous improvement, the company devised comprehensive short-term and long-term strategies to enhance competencies and cultivate a learning mindset among its workforce. Employees across all levels and skill sets at HaadThip were provided with diverse learning opportunities, encompassing classroom sessions, extracurricular activities, and involvement in various projects.

Moreover, spanning from 1989 to the present, the Company has maintained a steadfast commitment to promoting and supporting employee education. This commitment extends to facilitating opportunities for employees to pursue higher education, thereby enhancing operational efficacy and enabling the integration of diverse knowledge for the organization's maximum benefit. In 2023, the company continued its support for employee education by awarding scholarships. These included one bachelor's level scholarship and five master's level scholarships, totaling six scholarships with a combined value of 850,000 baht.



In addition to fostering the knowledge and skills requisite for job performance, our endeavors extend to honing abilities in compliance with regulations and fostering collaborative proficiency aligned with the company's core competencies. Our commitment to continuous advancement is exemplified through the formulation of an annual training plan, meticulously crafted through a reference to survey results and in-depth needs analyses, ensuring alignment with business imperatives and annual objectives. Furthermore, a standardized measurement system is employed to gauge the efficacy of our training initiatives. Embracing a forward-looking approach, our training curriculum encompasses contemporary methodologies and is curated by leading industry experts to remain abreast of evolving paradigms. We prioritize individual self-development, facilitating opportunities for employees to augment existing knowledge and acquire new competencies beyond conventional classroom settings, thereby fostering expertise in specialized domains. Additionally, we foster a culture of knowledge-sharing among employees, cultivating a conducive learning environment through modern tools and resources. Central to our ethos is the empowerment of employees to chart their own career trajectories. To this end, we provide comprehensive information on career paths and development plans, enabling individuals to make informed decisions regarding their professional growth. We believe that these initiatives collectively contribute to the long-term evolution of our organization and underpin sustainable business growth in the years to come.

The benefits derived from cultivating employee potential and fostering their advancement are manifold for our organization. By investing in our personnel, we ensure the availability of skilled individuals capable of enhancing the quality of our products and services. This, in turn, leads to streamlined work processes, resulting in cost reductions and heightened operational efficiency, thereby bolstering our

profitability. Such initiatives fortify our company's position in the market, fostering growth and enhancing competitiveness. Furthermore, they foster a sense of loyalty among employees, cultivating a strong bond with the organization. As a consequence, our workforce remains committed to contributing value to the company, thereby perpetuating a cycle of mutual benefit and sustained success.

Occupational Safety, Health and Environment Policy

The Company has established guidelines for occupational health and safety in accordance with the safety policy framework as well as committed to complying with the law and other requirements that is acknowledged in society to prevent and reduce accidents, illnesses, ailments and losses inflicted in the workplace through continuous improvement and development. In cooperation and acceptance from all employees in the organization, visitors, partners, contractual parties, contractors and all groups of stakeholders, it has employed the Occupational Health Management System as certified by international safety standards ISO 45001:2018. HaadThip also creates awareness of occupational safety, health and working environment as well as promote disease-free physical and mental health employees at all levels including visitors and all related groups. In addition, the Company has targeted and recorded the operating outcomes to control safety performance and attaches importance to the safety of employees at all levels, as it tries to ensure that all employees respond to the policies set by the Company. HaadThip deems it its duty to look after welfare of the employees and provide safe and sanitary working environment. The Company strictly observes the law by providing safety trainings to employees to enhance their skills so that they can cope with unexpected events in accordance with the guidelines that are safe for the lives and properties of employees and the organization. Annual health check has been provided as a proactive health program. It has regularly communicated and educated the staff on preventive health care for both seasonal diseases and emerging diseases through internal communication channels such as online channel, bulletin board or e-mails, etc., as well as to encourage employees take part in physical activities and exercises in sport clubs such as cycling, running, football, yoga clubs, etc. to achieve common goals. Moreover the Company opened fitness building as staff's welfare benefits.



o Accident and Sick Leaves Statistics

	Total Cases of Accident (No. of Person)		By Degree of Severity							
			Off-Work (No. of People)		Total Off-Work (Day)		No Off-Work (No. of People)		Death (No. of People)	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Employee	8	18	7	16	49	159	1	2	0	0
Contracter	0	0	0	0	0	0	0	0	0	0

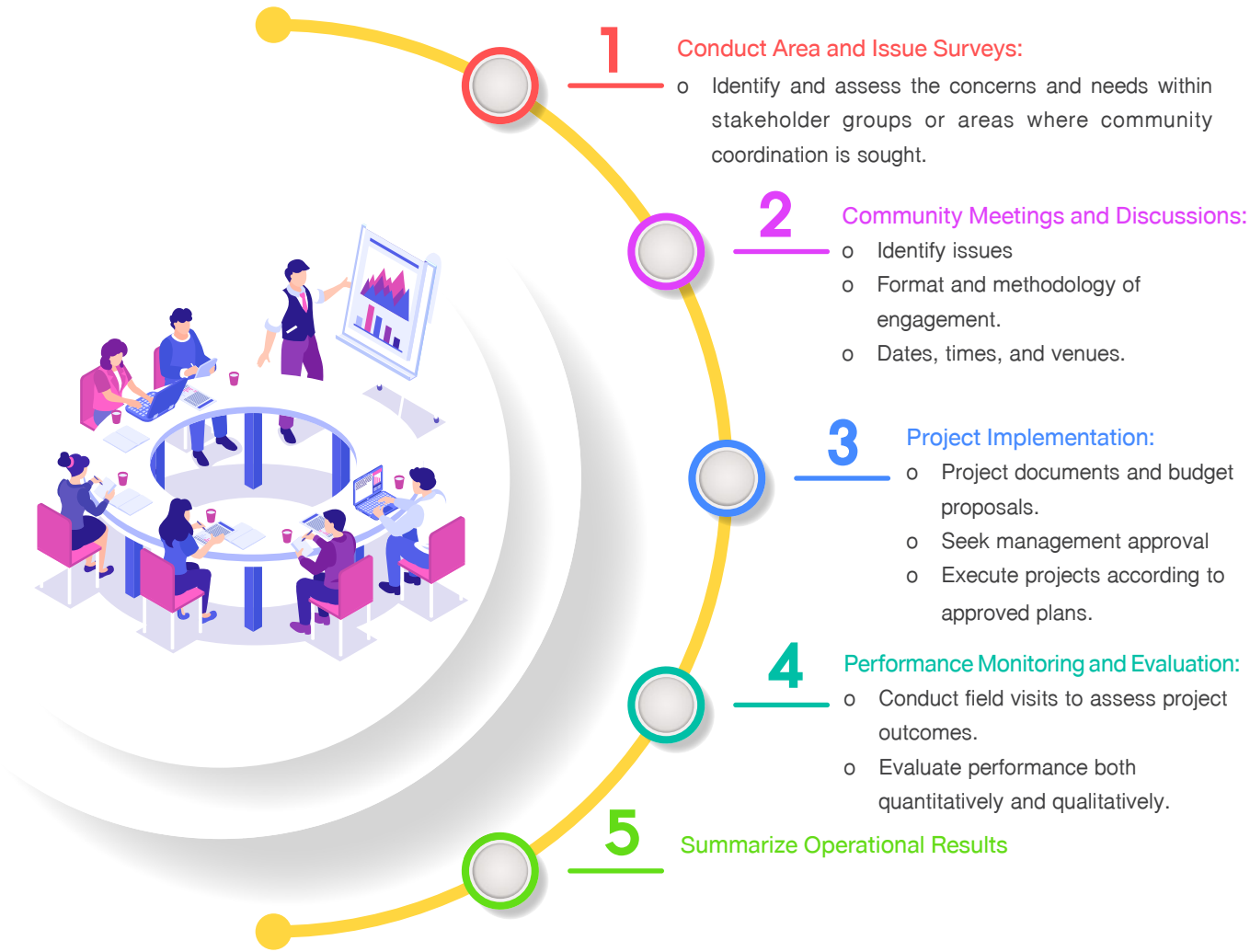
The number 1 cause accident cause involved use of vehicles. The Company did not stand still and made a move to improve the policy and take more stringent measures to reduce and prevent accidents related to safe driving. A working group was set up to design safety plans, such as an annual safe driving training program for all drivers, a 5-minute safety program, a traffic management project inside the plants for safety where a car route was fixed, an accident and risk reporting project via Line @SAFETY HAADTHIP, the promotion for wearing helmets and standard promotion for safety on the road project. Training for staff and everyone involved, as well as more stringent follow-up, were prioritized. To lessen the chance of a traffic accident, all employees at the Punpin plants are required to wear fluorescent vests at all times. Moreover, the Company organized annual fire evacuation training. To cover all risk points, there are additional near miss reports and machine guard risk point assessments. Certain work processes have been modified for safety and discretion, and PPE suits and equipment are ready for use.



3.4.2 Social and Environmental Performances

For over five decades, Haad Thip has been an integral part of the southern region, dedicated to enhancing the quality of life for all stakeholders. Demonstrating our commitment to social responsibility and fostering a culture of volunteerism has been a longstanding priority for our organization. Regular volunteer activities are organized, drawing active participation from both internal and external stakeholders. We proudly align ourselves with the southern community under the guiding principle of “Haad Thip stands by the southern people.”

Community Engagement Guidelines



Performance Highlights in 2023

1. Educational support and opportunities

To provide educational opportunities to underprivileged people in accordance with the former chairman's policy and to ensure that everyone has inclusive and equitable access to quality education at all levels, the Company provides necessary facilities to educational institutions and students of all groups, including those with disabilities and gender diversity, as well as creating a trouble-free educational environment. In 2023, the Company granted scholarships and other educational supports totaling more than 951,606.00 baht to young individuals with strong academic records but limited educational options and resources.



2. Outstanding Stretcher Staff Fund Project

HaadThip initiated the Outstanding Stretcher Staff Fund Project, providing scholarships to commendable full-time and non-permanent staff across 30 hospitals in the southern region. This project, conceived under the visionary leadership of Sec.Lt. Phairoch Rattakul, former Managing Director, underscores the significance of stretcher employees and temporary staff in hospital operations. These individuals serve as vital support units, facilitating patient movement, offering information and guidance, and assisting with transportation to various hospital departments. In 2023, HaadThip allocated scholarships totaling 350,000 baht to stretcher staff across the aforementioned hospitals.

HaadThip commenced operations with the inaugural "Outstanding Stretcher Staff Fund Project" on August 19, 1994, initially benefiting Hat Yai Hospital, Songkhla Hospital, and Songkhla Nakarin Hospital. Subsequently, the project expanded its reach to encompass additional areas within the three southern border provinces. Over time, its scope further extended to include provinces such as Satun, Nakhon Si Thammarat, Surat Thani, Phang Nga, and Phuket.



3. One RJ RY Project (Unite Our Hearts)

One RJ RY Project (Unite Our Hearts): HaadThip Public Company Limited stands united in its commitment to philanthropy and aiding the underprivileged. In honor of the late Sec.Lt.Phairoch Rattakul, former Managing Director and founder of “HaadThip,” a symbol of philanthropy and entrepreneurial success, the company remains dedicated to community, societal, and environmental development. For 54 years, HaadThip has steadfastly supported the southern region through various sustainable projects, perpetuating a legacy of benevolence and corporate responsibility passed down through generations to the present day.

The Unite Our Heart event was inaugurated on November 12, 1995, and has been held annually ever since, marking its 28th consecutive year in 2023. During this year, HaadThip afforded all employees the opportunity to partake in selecting locations for social service activities. These included tasks such as painting walls, cleaning passenger accommodations, and providing essential items, alongside lunch provisions, to patients and their families at the Yensira Building of Songkla Nakarin Hospital. Additionally, efforts were directed towards the development and repair of equipment, recreational activities to enhance English proficiency, and the donation of educational and kitchen appliances to 24 schools. Financial assistance was also extended to underprivileged patients through the Siriraj Foundation, alongside initiatives for blood donation, aimed at extending life to fellow human beings. Contributions were made to the Thai Red Cross Society and various provincial hospitals, with a total blood donation of 75,070 cc across 26 service locations spanning 14 southern provinces and Bangkok.



4. Sprite Music Project

HaadThip continues to prioritize youth development, offering fresh experiences to enhance learning skills and provide a platform for young talents to shine. Among the various projects catering to youth interests, the Sprite Music Contest stands out as a beloved initiative, now in its 17th year. Recognizing the evolving landscape of music and the aspirations of today's youth, Haad Thip has adapted and refined the contest format to align with contemporary trends. HaadThip has witnessed the unwavering dedication, sacrifice, unity, and teamwork displayed by the contestants. In recognition of their efforts, the prize pool for the contest has been increased to 100,000 baht. Moreover, the event continues to garner esteem from esteemed music professionals, including committee members from Silpakorn University, Prince of Songkla University, Thaksin University, and Hat Yai University, as well as renowned artists who are members of the HaadThip Junior Club project. In a special gesture, the championship team will have the opportunity to travel, exchanging experiences and honing their musical skills—an incentive aimed at further nurturing their talents and fostering their growth.

HaadThip Public Company Limited proudly organized the “Sprite Music Contest” 2022, catering to youths aged 13-19 years. In the final round of this competition, 15 outstanding bands emerged from a pool of 50 entries. The results of the competition are as follows: The champion of the “Sprite Music Contest” 2023 is Chada Band from Phuket Wittayalai School, Phuket Province. - The 1st runner-up prize is awarded to THE MIST band from Hat Yai Wittayalai School, Songkhla Province. The 2nd runner-up prize goes to Synthesize Zonic band from Surat Thani School, Surat Thani Province. The 3rd runner-up award is bestowed upon SP69, Lamaew band from Lamae Wittaya School, Chumphon Province. Additionally, the Popular Vote award is granted to Nom Preaw Band from Saengthong Witthaya School, Songkhla Province.



5. HaadThip Fan Run Project

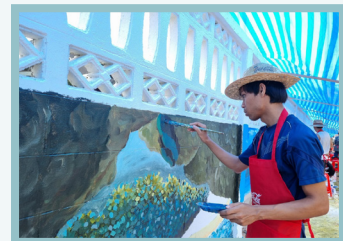
HaadThip Public Company Limited organized the “HaadThip Fan Run” activity for the third consecutive year, held at Samila Beach, Songkhla Province. The event, themed “Chill, Capture Moments, Run, and Enjoy Music,” attracted over 1,800 participants, including solo runners, couples, and groups. Upon crossing the finish line, runners received a necklace adorned with a pendant in the shape of a pleated bezel or cane ring. Additionally, numerous prizes were up for grabs for lucky participants, ranging from stays at luxury hotels and plane tickets to Coca-Cola memorabilia and electrical appliances. All proceeds from the third HaadThip Fan Run, including applications and donations, were earmarked for the Songkla Nakarin Hospital Foundation. These funds were directed towards the “Helping Patients at Yensira Building 3” initiative, which focuses on minimizing environmental impact. The event embraced eco-friendly practices, utilizing bamboo and leftover community fabric for decorations, and employing easily biodegradable paper containers. Waste separation measures were implemented to reduce general waste and promote environmental conservation. Furthermore, the organization of this activity contributed to a reduction in greenhouse gas emissions, amounting to a total of 7,024.91 kilograms of carbon dioxide equivalent. This reduction is equivalent to the carbon absorption capacity of 781 trees annually, thereby mitigating our carbon footprint and supporting environmental sustainability efforts.



6. Wall Decoration Project “Culture, Good Environment, Southern Life”

Now in its fourth year, the Wall Decoration Project aims to preserve the arts, culture, and way of life of the southern people across all 14 provinces. The project serves as a platform for raising awareness about the value of conserving customs, traditions, and religion, which form the beautiful identity of each Southern region. Additionally, it advocates for environmental conservation by conveying stories through artistic works.

In 2023, the project activities were conducted at the Trang branch sales office, in collaboration with educational institutions and students. A total of 26 participants utilized the company's space to practice and create art. Together, they adorned 17 walls with paintings depicting the cultural diversity of the South.



7. Sufficiency School Project at Wat Thung Siat School

The Sufficiency School Project at Wat Thung Siat School, located in Tha Rong Chang Subdistrict, Punpin District, Surat Thani Province (Punpin Factory), is dedicated to instilling the principles of sufficiency economy within educational institutions. Serving as a comprehensive guide for administrators and teachers, the project encourages the integration of sufficiency economy principles into teaching and learning methodologies. The project fosters active student participation in various activities, including vegetable cultivation, poultry farming for school lunches, financial savings initiatives, and waste management practices. These activities aim to impart valuable financial management skills to students while promoting self-reliance and resilience in their daily lives. Emphasis is placed on cultivating three key balances: moderation, reason, and immunity, alongside the cultivation of knowledge and morality. Through this holistic approach, individuals are nurtured to become responsible members of their communities, guided by the principles of sufficiency economy and a commitment to the common good. The project also underscores the importance of teamwork, networking, and resource utilization within the school and broader community context. Students and teachers are encouraged to leverage available resources effectively to achieve a balanced budget, promote savings, and foster a spirit of sharing and collaboration. Furthermore, the project promotes environmental awareness and conservation efforts, integrating analytical thinking and intelligent resource management practices to maximize benefits while minimizing environmental impact. By instilling these principles in both teachers and students, the Sufficiency School Project aims to create a sustainable culture of sufficiency economy within educational institutions, fostering responsible and conscientious individuals for the future.

With the following objectives:

1. To establish the school as a sustainable hub for sufficiency economy learning within the community, in alignment with the royal initiative of His Majesty King Bhumibol Adulyadej, also known as His Majesty Bhumibol Adulyadej the Great Borommanat Bophit.
2. To cultivate knowledge and skills that extend beyond traditional classroom education, enriching the lives of young individuals.
3. To foster strong relationships among the Company, school, and community through the school's agricultural endeavors.

Over the span of two years (2022-2023), the school's agricultural operations yielded commendable results, including 1,345 panels of chicken eggs (equivalent to 40,350 eggs), 103 kilograms of catfish and cichlid fish, and 62 kilograms of vegetables. These efforts generated income for the school and contributed to expense reduction, amounting to 76,634 baht per year. This income serves to support internal project management and enhance school aesthetics, as well as fund various student activities, thereby promoting Brain Based Learning (BBL) within a designated area of 248.95 square meters. Notably, this initiative includes the creation of lawn chairs crafted from recycled PET water bottle caps, utilizing over 72 kilograms of PET caps, equivalent to 55,385 caps.



Conservation and restoration of natural resources and the environment

1. Project to monitor the growth of coral reefs and collect garbage under the sea

The Company prioritizes the preservation of ecosystems and biodiversity, including the vital undersea ecosystem in the southern region of Thailand. Since 2018–2022, the Company has spearheaded the South Sea Coral Conservation Project (Marine Camp) on Bu Lon Le Island, Pak Nam Subdistrict, Langu District, Satun Province. Over the years, this initiative has successfully cultivated staghorn coral species, replacing damaged sections resulting from natural disasters, travel, and fishing activities, totaling 1,500 coral trees. This has contributed to a notable increase in marine biodiversity.

In 2023, with a commitment to sustainable conservation, the company aims to gather data on the growth of propagated corals while concurrently conducting underwater garbage collection expeditions. This multifaceted approach seeks to explore the underwater ecosystem, assess the progress of coral propagation at the Marine Camp, and address marine pollution issues. Additionally, mooring buoys and fish egg buoys will be installed, and swimming areas will be demarcated to minimize disturbance to marine habitats. The overarching goal is to raise awareness among youth and local villagers, fostering a sense of responsibility for coral reef preservation and marine pollution mitigation. This will be achieved through beach clean-up efforts and underwater garbage collection activities. The project's benefits include:

- **Increased marine biodiversity:**
 - o A total of 33 species of fish were documented in the coral propagation plots and surrounding areas.
 - o The coral breeding plots and adjacent areas support a diverse array of large invertebrates, comprising 10 species.
 - o Nine species of young corals, which have not been previously propagated, have been observed thriving within the plot.
 - o The total weight of marine debris collected amounted to 156.5 kilograms.
- **Damage prevention mission:**
 - o Ten mooring buoys were installed across various locations including Koh Ma, Koh Ayam, Koh Bu Lon Rang, and Bu Lon Le Island to mitigate damage to the marine ecosystem.
 - o Two fish egg buoys, spanning a length of 200 meters, were repaired in the eastern area of Bu Lon Le Island to safeguard and preserve the sea's monsoon conditions.



2. HaadThip Volunteer Project: Restoring the mangrove ecosystem

The HAADTHIP VOLUNTEER PROJECT is an initiative in which the company actively engages in organizing social and environmental activities aimed at restoring the mangrove ecosystem. Collaborating with the Rainbow Sky Association of Thailand, students from Prince of Songkla University, and representatives of HaadThip employees, over 200 individuals participated in volunteer activities. These activities included planting 2,000 mangrove trees such as Phangka Huasum, Lamphu, and Chak trees, as well as creating local artificial coral reefs known as Sang. The construction of two fish houses, intended as nurseries for aquatic animals, was also undertaken. These efforts are geared towards restoring the mangrove ecosystem and revitalizing the community's food sources, fostering sustainable abundance.

Both initiatives play a pivotal role in restoring the complete mangrove ecosystem and enhancing the ecological value of flora and fauna. Moreover, they contribute to the conservation and restoration of water resources in the area, thereby yielding long-term positive impacts on both the community and the environment.



Demand Creation
พัฒนาเพื่อความยั่งยืน

บริษัท หาดทิพย์ จำกัด (มหาชน) ร่วมกับ สมาคมฟ้าสีรุ้งแห่งประเทศไทย
สำนักงานภูมิภาคทะเลใต้ จังหวัดสงขลา และมหาวิทยาลัยสงขลานครินทร์
จัดกิจกรรมอนุรักษ์สิ่งแวดล้อมส่งเสริมชุมชนที่ยั่งยืน

ภายใต้โครงการ Haad Thip Be Proud - LGBTQI+ รักษ์โลก
"ภาคภูมิใจ ในความหลากหลายทางเพศ"

K. Siam together with the LGBTQI+ representative, members of Rainbow Sky Association of Thailand, Songkhla and 200 freshmen student of PSU gathered for 2,000 mangrove tree growing.

คุณสยาม สุวรรณรัตน์ ผู้อำนวยการพัฒนาเพื่อความยั่งยืน นำผู้แทนพนักงานกลุ่มความหลากหลายทางเพศ (LGBTQI+) ร่วมกับสมาคมฟ้าสีรุ้งแห่งประเทศไทย จ.สงขลา และน้องๆ เฟรชชีปี 1 มหาวิทยาลัยสงขลานครินทร์ กว่า 200 คน ทำกิจกรรมปลูกป่าชายเลน จำนวน 2,000 ต้น อาทิ โกงกาง พังกาหัวสุม ลำพู และต้นจาก รวมถึงสร้างประติมากรรมพื้นบ้าน หรือ ช้าง ให้เป็นบ้านปลา เพื่อเป็นแหล่งอนุบาลสัตว์น้ำ พื้นฟูระบบนิเวศป่าชายเลนและแหล่งอาหารของชุมชน ให้ความรู้ความสมบูรณ์อย่างยั่งยืน

3. Project “Sai Nam Cha-uat Upstream Community”: Advancing towards Sustainable Agriculture

Over the course of 54 years, Haad Thip has recognized the critical importance of “water” in sustaining life and community well-being. It serves as a fundamental resource for both livelihoods and business operations. Hence, we are dedicated to advancing sustainability and prioritizing the efficient management of water resources. This commitment extends to promoting sustainable production practices while consistently minimizing our impact on community water resources. In collaboration with government agencies and local private entities, we have initiated the “Sai Nam Cha-uat Upstream Community” project. This endeavor aims to cultivate social responsibility and foster awareness of the value of water resources within both our company and the broader community. Our objective is to return an equivalent amount of water used in beverage production safely and sustainably back to the community and nature.

This project is centered around supporting livelihoods in the community, enhancing resilience against water-related natural disasters, and fostering knowledge about sustainable agriculture. The primary aim is to establish a society adept at managing water resources sustainably and promoting sustainable agricultural practices. We emphasize the importance of replenishing water resources by returning an equivalent amount of water back to the community and nature, thus ensuring a harmonious balance between our operations and the environment.

The project encompasses a range of activities, outlined as follows:

1. Training sessions aimed at establishing a proficient weaving group for 30 villagers, fostering the development of skills and careers in weaving.
2. Skill enhancement and water rescue training sessions conducted for 28 volunteer rescuers from 9 agencies, bolstering their preparedness to efficiently execute water rescue operations.
3. Enhanced Knowledge and Skills in Sustainable Agriculture for Farmer Groups through Organic Farming and Balsam Cultivation Study Tours.



4. Project “Coke Invites You to Sort and Exchange for a Chance to Win with Trash Lucky” in Phuket Province

The “Coke Invites You to Sort and Exchange for a Chance to Win with Trash Lucky” project in Phuket represents Coca-Cola’s collaborative effort to address waste management challenges and promote recycling initiatives with dual environmental and economic benefits. Central to the project is the collection and recycling of packaging materials equivalent to those anticipated to be introduced to the market by 2030. In partnership with Trash Lucky, a startup dedicated to environmental sustainability and advocating for shifts in consumer behavior to align with the principles of the circular economy, the project offers enticing rewards.

This marks the third year of the project's expansion into Phuket Province, an area under the purview of HaadThip Public Company Limited. Recognizing the significance of waste recycling, we are steadfast in our commitment to promoting responsible waste management practices. The project's overarching goal is to incentivize and empower consumers to adopt waste separation practices as an integral part of their daily routine. To this end, comprehensive waste management mechanisms are being developed and waste recycling is being promoted.

Data collection efforts include monthly visits to five Drop Off Points across Phuket Province, spanning from August 1 to December 31, 2023. During this period, a remarkable 502.7 kilograms of recyclable materials were collected, with a total of 1,047 individuals applying for membership.



4 Management Discussion and Analysis: MD&A

4.1 The Overall Operating Results

HaadThip Public Company Limited is a sparkling beverage manufacturer, with its main income generated from the sales and distribution, exclusively in the southern part of Thailand, of sparkling products namely Coke, Fanta and Sprite as well as non-carbonated products such as Minute Maid Juice and Namthip Drinking Water

1. The Operating Results of HaadThip Public Company Limited and the subsidiaries

1. Revenue from Sales

The Company's revenue from sales was Baht 7,806.0 million, an increase of a Baht 932.4 million or 13.6% from Baht 6,873.5 million of year 2022, and sales volume was 69.8 million unit cases, an increase of 8.5% from 64.3 million unit cases of year 2022.

Company's Revenue by Type of Business

Unit: Million Baht

Type of Business	2023	2022	Increase (Decrease)
Beverages (inclusive of the sales of containers)	7,749.27	6,873.50	875.77
Consumer Goods	14.67	142.47	(127.80)
Food	7.32	32.37	(25.05)
Real Estate	56.69	-	56.69

The revenue and sales volume increased from

- 1) The growth in the tourism sector, as indicated by data from the Ministry of Tourism and Sports, reveals that the number of foreign tourists in Thailand for the year 2023 reached 28.2 million persons, marking an increase of 154.4% compared to the corresponding period of the previous year, during which 11.1 million persons were recorded. Additionally, data from the Bank of Thailand showed that the proportion of foreign guests in hotels in the South of Thailand stood at 42.4%, surpassing the national rate of 21.2%.
- 2) The South Non-Alcoholic Ready-to-Drink (NARTD) market and the Sparkling Soft Drink (SSD) market experienced growth rates of 18.5% and 17.5%, respectively. Furthermore, the overall Thailand Non-Alcoholic Ready-to-Drink (NARTD) market and Sparkling Soft Drink (SSD) market saw growth rates of 11.4% and 15.4%, respectively.
- 3) The Company implemented Revenue Growth Management Initiatives through the pack and channel mix in prompt response to increasing demand for single-serve packages. Particularly noteworthy is the growth observed in the HORECA and convenience store segments, where sales volumes increased by 46% and 19%, respectively.
- 4) The Company has implemented a price increase in selected pack-sizes in August 2022, resulting in an overall price increase of approximately 6%. Additionally, in April 2023, the company enacted another price increase, resulting in an overall increase of approximately 1.5%.

- 5) Zero sugar sparkling beverages continued to grow with new flavour introductions, refinement to the existing ones, and the launch of a new product under the new brand name OOHA. This innovative, featuring a soda fruit flavor with zero sugar. As a result, the category experienced a sales volume increase of 31.1%, with its share of the total sales volume stood at 3.1%.

For 2023, the Company maintained its leadership in the non-alcoholic-ready-to-drink (NARTD) market and the sparkling Soft Drink (SSD) marketing shares for the South at 24.9% and 79.3%, respectively.

2. Cost of Sales and Gross Profit Margin

Cost of sales was Baht 4,515.6 million, an increase of Baht 455.2 million or 11.2 % from Baht 4,060.4 million from the same period of the year 2022 as a consequence of the rise in 8.5% of sales volume. The gross profit was Baht 3,290.3 million, an increase of Baht 477.2 million or 17.0 % from Baht 2,813.1 million from the same period of the year 2022. The increase factors were

- 1) The Company has implemented a price increase in selected pack-sizes in August 2022, resulting in an overall price increase of approximately 6%. Additionally, in April 2023, the company enacted another price increase, resulting in an overall increase of approximately 1.5%
- 2) The lower packaging material prices compared with the same period last year, resulted from the reduction of commodity prices and oil prices.
- 3) Production efficiency by reducing the overall production overheads in the production process.

Consequently, the gross profit margin was 42.2%, an increase of 1.3 percentage points compared to 40.9% from the same period of the year 2022.

3. Distribution costs and Administrative expenses

Distribution costs were Baht 1,603.3 million, an increase of Baht 182.9 million or 12.9%, with administrative expenses of Baht 992.3 million, an increase of Baht 157.3 million or 18.8% from the same period of last year. Distribution costs and administrative expenses (SG&A) totaled to Baht 2,595.6 million, an increase of 15.1 % or Baht 340.2 million, compared to Baht 2,255.4 million of the same period last year. The increase was mainly due to:

- 1) Sales promotion and marketing expenses increased by 10.9%, mainly due to the shifting distribution channels and the additional investments to support the market and tourism growth.
- 2) Employees expenses increases driven by adjustments to the employee compensation and benefit plans in consideration of high inflations as well as additional headcounts to support our recovery and growth plans in tourism-related distribution channels (Food shops, hotels, convenience stores, supermarkets, and hypermarkets) and traditional trade.
- 3) One-time expenses from the asset impairment and unused machines in the amount of Baht 17.0 million.

4. Finance costs and income tax expenses

Finance costs were Baht 12.7 million, an increase of Baht 4.3 million or 51.4 %, as the Company as a long-term loan for infrastructure and machines of PET line 3 production, Punpin Plant, Suratthani. While income tax expenses of Baht 122.2 million showed an increase of Baht 27.1 million or 28.5% from Baht 95.1 million of previous year due to due to the higher earning before tax at 25.6%.

5. Net Profit and Net Profit Margin

The Company's consolidated financial statements for the year 2023 had shown a net profit of Baht 598.0 million, an increase of Baht 167.0 million or 38.7 %, compared to the net profit of Baht 431.0 million in the same period of last year. While, net profit margin increased from 6.3% to 7.7%, an increase of 1.4 percent points from the same period of last year.

Net profit for the Parent Company was Baht 564.3 million, compared to Baht 447.0 million from the same period of last year, representing an increase of Baht 117.3 million or 26.2%.

Company's Net Profit (Loss) before income tax by Type of Business (after transaction elimination)

Unit : Million Baht

Type of Business	Year 2023	Year 2022	Increase (Decrease)
Beverages (inclusive of the sales of containers)	734.02	603.58	130.44
Consumer Goods	(15.66)	(35.54)	19.88
Food	(6.84)	(34.24)	27.40
Real Estate	8.79	(7.78)	16.57

Profitability and Operational Efficiency Ratios

Unit : Million Baht

Ratios	Year 2023	Year 2022
Gross Profit Margin (%)	42.2	40.9
Net Profit Margin (%)	7.7	6.3
Return on Equity (%)	15.6	11.7
Return on Assets (%)	11.8	9.4

- Net profit margin was 42.2%, increased by 1.3 percentage points from 40.9% from the same period of last year as a result of product price increase, production cost decrease and productivity increase.
- Net profit margin was 7.7%, increased by 1.4 percentage points from 6.3% from the same period of last year due to an increase of gross profit margin and effective expense management.
- Return on equity of the year 2023 was 15.6 %, increased by 3.9 percentage points from 11.7 % as a result of an increase in the Company's net profit for the year.
- Return on assets of the year 2023 was 11.8%, increased by 2.4 percentage points from 9.4% due to higher earnings before tax for the year.

2. Financial Status of HaadThip Public Company Limited and the Subsidiaries

Unit : Million Baht

Item	As at 31 st Dec 2023	As at 31 st Dec 2022	Increase (Decrease)	
			Amount	%
Total Assets	6,483.40	5,915.22	568.18	9.61
Total Liabilities	2,554.01	2,161.81	392.20	18.14
Shareholders' Equity	3,929.39	3,753.41	175.98	4.69

1. As at 31st December 2023, the Company's total assets equaled to Baht 6,483.40 million, an increase of Baht 568.18 million or 9.61% from the end of the year 2022.

- Cash and cash equivalents had decreased by Baht 65.47 million or 40.08 % since there was more inflow than outflow of cash from operating activities by the amount of Baht 1,205.46 million, cash outflow for investing activities by Baht 803.86 million and cash outflow for financing activities in the amount of Baht 467.06 million.
- There was an increase of Baht 41.78 million or 7.11% in account receivables, in line with an increase in the volume of sales to major customers with credit term.
- Other receivables increased by Baht 0.84 million or 1.31 %.
- There was an increase of Baht 41.69 million or 12.58% in inventory, as a reserved product for sales, reserved raw materials and packages for production and reserved spare parts.
- Real estate development for sales increased by Baht 6.47 million or 8.97% as a result of construction investment plan in real estate business project.
- Other current financial assets decreased by Baht 19.98 million or 84.19% as a result of an decrease of investment in debt securities (investment units of funds from financial institution) while profit of exchange contract with fair value for Baht 0.85 million.
- Non-current assets classified as non-current assets held for sales decreased by Baht 9.55 million or 94.08% as a result of a depreciation evaluation of machineries stopped using and held for sale by Baht 10.15 million, a value transfer of subsidiaries' machineries (during dissolution) stopped using and held for sale by Baht 0.60 million.
- Other current assets decreased by Baht 1.10 million or 9.34% as a result of a decrease of sales promotion and promotion equipment by Baht 0.32 million and receiving back of withholding tax of subsidiaries by Baht 0.79 million.
- Non-current financial assets increased by Baht 2.04 million or 39.80% as a result of an increase of investment in common stock of other companies.
- Investment property decreased by Baht 21.75 million or 10.17% as a result of a transfer of property investment to be fixed assets for business operations.
- Land, building and equipment increased by Baht 492.68 million or 11.96% as a result of investment in new fixed assets to support business expansion.
- Right-of-use asset increased by Baht 26.22 million or 10.52%, which stemmed from vehicle lease for operation due to business expansion.
- Intangible assets increased by Baht 6.40 million or 16.12% as a result of the write off in software license of software license to support business expansion.
- Deferred tax assets increased by Baht 1.07 million or 243.93% from deferred tax assets of depreciation of subsidiaries' discontinued machines
- Other non-current assets increased by Baht 66.84 million or 271.08%, mainly from deposit of returnable glass bottle (RGB) machinery line and deposit of PET mold .

2. As at 31st December 2023, the Company's total liabilities equaled to Baht 2,554.01 million, which could be divided into Baht 1,365.22 million of short-term liabilities, and Baht 1,188.79 million of long-term liabilities. This indicated an increase of Baht 392.20 million or 18.14% in total liabilities from the end of year 2022.
- Short-term loan from financial institutions decreased by Baht 122.00 million or 53.74 % partly from repayment of subsidiaries according to subsidiary dissolution plan and repayment from working capital.
 - The Company's account payables increased by Baht 50.03 million or 14.31% due to an increase of payables in raw materials and container materials by Baht 66.59 million and a decrease of dissolved subsidiaries by Baht 15.96 million.
 - Other payables increased by Baht 240.99 million or 50.21% mainly as a result of an increase of accrued bonus expense, accrued advertising and sales promotion expenses, spare part payable, security money for construction and machine under installation, value added tax payable and refrigerator and Post-Mix payables.
 - Accrued corporate income tax increased by Baht 3.41 million or 6.74 % due to an increase of profit before income tax.
 - Other current financial liabilities increased by Baht 2.19 million as a result of the recognition of liabilities due to loss of exchange contract with fair value in 2022. In 2023, there was profit of exchange contract with fair value (asset for currency exchange contract) for Baht 0.85 million.
 - Long term loans increased by Baht 151.08 million or 12.58% as a result of additional loan for investment in beverage production expansion for Baht 205.00 million, additional loan for investment in property for Baht 19.02 million, the repayment of loans that were due during the year for Baht 32.50 million and the repayment of property business for Baht 40.45 million.
 - Lease liabilities increased by Baht 26.06 million or 10.46% as a result of vehicle lease increase for operations according to business expansion.
 - Customers deposits on bottles and cases increased by Baht 4.09 million or 24.97 % as a result of an increase in customers deposits on bottles and cases from returnable bottles.
 - Deferred tax liabilities decreased by Baht 22.86 million or 7.20% mainly as a result of an increase of non-current provisions for employee benefits in 2023, a decrease of revalue asset (land), and an increase on investment value in common stocks of other companies.
 - Estimation of non-current provision for employee benefits increased by Baht 63.60 million or 21.52% as a result of an increase of liabilities during the year and an upward adjustment in financial assumption.
 - Estimation of other non-current liability was Baht 13.60 million, the same as previous year as a result of additional estimated liability from import duty of Customs which was during consideration of Appeal Consideration Committee of Customs.
 - Shareholders' equity of Baht 3,929.40 million as at 31st December 2023 showed an increase of Baht 175.98 million or 4.69% from the end of year 2022 due to an increase in the net profit of the year for Baht 563.82 million less dividend payout from the operating results of 2022 at the rate of Baht 0.97 per share to the shareholders in May 2023; and interim dividend payout from the operating results of 2023 at the rate of Baht 0.96 per share to the shareholders in September 2023.

3. Cash Flow

Items (Unit: Million Baht)	Year 2023	Year 2022
Net cash from operating activities	1,205.45	852.72
Net cash used in investing activities	(803.86)	(664.39)
Net cash from (used in) financing activities	(467.06)	(242.21)
Net increase (decrease) in cash and cash equivalents	(65.47)	(53.88)

The Company's inflow of cash from operating activities was higher than outflow by Baht 1,205.45 million, an increase of Baht 352.73 million from the previous year. The Company's net cash used in investment activities in the amount of Baht 803.86 million showed an increase of Baht 139.47 million from the previous year as a result of production line expansion. The Company's net cash used in financing activities was Baht 467.06 million as a result of the repayments of short-term and long-term loans; the repayment of financial lease liabilities and interest expense; and dividend payout to the shareholders from the operating results of the year 2022 and interim dividend payout from the operating results of the year 2023.

4. Liquidity

Important liquidity ratios

Ratio	Year 2023	Year 2022
Liquidity Ratio (Times)	0.92	1.05
Cash Ratio (Times)	0.94	0.79
Average Debt Collection Period (Day)	28.47	28.30
Average Inventory Turnover Period (Day)	28.47	29.93
Average Debt Repayment Period (Day)	30.28	29.43

- The Company's liquidity ratio of 0.92 times showed a decrease by 0.13 times from the previous year, with cash ratio of 0.94 times, or a decrease of 0.14 times from the previous year.
- The Company's average debt collection period of 28 days, the same as previous year.
- The average inventory turnover period of 28 days was faster than the previous year by 2 days.
- Average debt repayment period of 30 days was slower than the previous year by 1 day.

5. Financial Policy

Financial Policy Ratios

Ratio	Year 2023	Year 2022
Debt-to-Equity Ratio (Times)	0.65	0.58
Interest Coverage Ratio (Times)	57.83	63.84

- Debt-to-equity ratio of 0.65 times was slightly higher than that of the previous year, showing that the investment from debts was increased. However, the ratio was low and had no default risk.
- Interest coverage ratio of 57.83 times, a decrease from the previous year, as a result of the Company's interest payment of loan for plant and machines of PET line 3.

4.2 Factors affecting Future Performance of Company

Even though the Company had systematic management policy for risks affecting performance of company as indicated in Part 1. Nature of Business and Operation Results and Part 2. Risk Management in acceptable level, but there was the possibility of the operations following risk management not effectively enough to lower risks to acceptable level, and hence the performance will not be as expected as a result of uncontrollable external factors such as an increase of raw material price, new pandemic outbreak or microeconomy problem which impact the slowdown of tourism industry, resulting in the expected growth of the Company and also sugar tax.

4.3 Key Financial Information and Ratio

(a) Statement of consolidated financial position for the year ended 31 December 2023, 2022 and 2021

Description	As 31 December					
	2023		2022		2021	
	In thousand Baht	%	In thousand Baht	%	In thousand Baht	%
Current						
Current Assets						
Cash and cash equivalents	97,882	1.51	163,355	2.76	217,232	4.00
Trade accounts receivable	629,808	9.71	588,027	9.94	477,947	8.81
Other receivables	64,640	1.00	63,806	1.08	119,317	2.20
Inventories	373,045	5.75	331,352	5.60	334,475	6.16
Real estate development for sale	78,543	1.21	72,075	1.22	18,511	0.34
Current tax assets	-	-	-	-	2,966	0.05
Other Current financial assets	3,750	0.06	23,727	0.40	28,179	0.52
Non-current assets classified as held for sale	601	0.01	10,153	0.17	8,710	0.16
Other current assets	10,686	0.16	11,787	0.20	16,762	0.31
Total current assets	1,258,956	19.42	1,264,282	21.37	1,224,099	22.55
Non-current assets						
Other non-current financial assets	7,162	0.11	5,123	0.09	13,867	0.26
Investment property	192,102	2.96	213,853	3.62	205,751	3.79
Property, plant equipment	4,610,530	71.11	4,117,851	69.61	3,694,422	68.06
Right- of -use assets	275,527	4.25	249,308	4.21	211,744	3.90
Intangible assets	46,114	0.71	39,711	0.67	54,323	1.00
Deferred tax assets	1,514	0.02	440	0.01	467	0.01
Other non- current assets	91,496	1.41	24,656	0.42	23,259	0.43
Total non-current assets	5,224,446	80.58	4,650,941	78.63	4,203,833	77.45
Total Assets	6,483,402	100.00	5,915,223	100.00	5,427,931	100.00

Description	As 31 December					
	2023		2022		2021	
	In thousand Baht	%	In thousand Baht	%	In thousand Baht	%
Liabilities and equity						
Current liabilities						
Short - term loan from financial institutions	105,000	1.62	227,000	3.84	62,000	1.14
Trade accounts payable	399,607	6.16	349,574	5.91	305,134	5.62
Other payable	720,943	11.12	479,955	8.11	366,093	6.74
Current portion of long-term loan	-	-	13,800	0.23	83,640	1.54
Current portion of lease liabilities	85,611	1.32	79,784	1.35	74,156	1.37
Current income tax payable	54,058	0.83	50,646	0.86	52,591	0.97
Other financial liabilities	-	-	2,193	0.04	-	-
Total current liabilities	1,365,218	21.06	1,202,953	20.34	943,614	17.38
Non- current liabilities						
Long-term loan	311,324	4.80	146,448	2.48	83,440	1.54
Long-term loan (Debenture)	-	-	-	-	-	-
Lease liabilities	189,520	2.92	169,287	2.86	138,500	2.55
Customers' deposits on bottlers and cases	20,449	0.32	16,363	0.28	14,588	0.27
Deferred tax liabilities	294,799	4.55	317,659	5.37	319,886	5.89
Non- current provisions for employee benefits	359,099	5.54	295,503	5.00	301,386	5.55
Other non-current provisions	13,596	0.21	13,596	0.23	12,615	0.23
Total non-current liabilities	1,188,787	18.34	958,855	16.21	870,414	16.04
Total liabilities	2,554,005	39.39	2,161,808	36.55	1,814,028	33.42
Equity						
Share Capital						
Authorized share capital	201,210		201,210		201,210	
Issued and paid-up share capital	200,961	3.10	200,961	3.40	200,961	3.70
Share premium on ordinary shares	392,838	6.06	392,838	6.64	392,838	7.24

Description	As 31 December					
	2023		2022		2021	
	In thousand Baht	%	In thousand Baht	%	In thousand Baht	%
Retained earning						
Appropriated						
Regal reserve	25,000	0.39	25,000	0.42	25,000	0.46
General reserve	35,000	0.54	35,000	0.59	35,000	0.64
Unappropriated	1,685,127	25.99	1,489,293	25.18	1,339,316	24.67
Other components of equity	1,589,868	24.52	1,609,190	27.20	1,615,559	29.76
Equity attributable to owners of the parent	3,928,794	60.60	3,752,282	63.43	3,608,674	66.48
Non- controlling interests	603	0.01	1,133	0.02	5,229	0.10
Total Equity	3,929,397	60.61	3,753,415	63.45	3,613,903	66.58
Total Liabilities and equity	6,483,402	100.00	5,915,223	100.00	5,427,931	100.00

(b) Consolidated financial statements for the year ended 31 December 2023, 2022 and 2021

Description	2023		2022		2021	
	In thousand Baht	%	In thousand Baht	%	In thousand Baht	%
Revenue						
Revenue from sale goods	7,805,964	100.00	6,873,523	100.00	6,517,954	100.00
Dividend Income	60	0.00	62	0.00	71	0.00
Net foreign exchange gain	2,489	0.03	-	-	197	0.00
Other income	57,945	0.74	42,331	0.62	26,330	0.40
Total revenue	7,866,458	100.77	6,915,916	100.62	6,544,552	100.41
Expenses						
Cost of sales of goods	4,515,636	57.85	4,060,419	59.07	3,893,319	59.73
Distribution costs	1,603,329	20.54	1,420,407	20.66	1,279,012	19.62
Administrative expenses	992,299	12.71	835,143	12.15	731,671	11.23
Total expense	7,111,264	91.10	6,315,969	91.89	5,904,002	90.58
Profit from operating activities	755,194	9.67	599,946	8.73	640,550	9.83
Finance costs	12,674	0.16	8,372	0.12	12,927	0.20
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9	(292)	(0.00)	38	0.00	(1,113)	(0.02)

Description	As 31 December					
	2023		2022		2021	
	In thousand Baht	%	In thousand Baht	%	In thousand Baht	%
Profit before income tax expense	742,812	9.52	591,537	8.61	628,736	9.65
Tax expense	(122,243)	(1.57)	(95,127)	(1.38)	(95,414)	(1.46)
Profit for the year from continuing operations	620,569	7.95	496,410	7.22	533,322	8.18
Loss for the year from discontinued	(22,533)	(0.29)	(65,429)	(0.95)		-
Profit for the year	598,035	7.66	430,981	6.27	533,322	8.18
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Gain (loss) on investments in equity instruments designated at FVOC	1,546	0.02	(7,961)	(0.12)	103	0.00
Gain on revaluation of assets	(25,698)	(0.33)				
Gain (loss) on remeasurements of defined benefit plans	(18,616)	(0.24)	22,909	0.33	18,075	0.28
Income tax relating to items that will not be reclassified	8,554	14,282.79	(2,990)	(4,827.53)	(3,636)	(5,120.48)
Other comprehensive income for the year, net of tax	(34,215)	(0.44)	11,959	0.17	14,542	0.22
Total comprehensive income for the year	563,821	7.22	442,940	6.44	547,864	8.41
Profit (loss) attributable to:						
Owners of the parent	598,560	7.67	435,064	6.33	535,391	8.21
Non-controlling interests	(525)	(0.01)	(4,083)	(0.06)	(2,069)	(0.03)
	598,035	7.66	430,981	6.27	533,322	8.18
Total comprehensive income (expense) attributable to:						
Owners of the parent	564,345	7.23	447,023	6.50	549,933	8.44
Non-controlling interests	(525)	(0.01)	(4,083)	(0.06)	(2,069)	(0.03)
	563,821	7.22	442,940	6.44	547,864	8.41
Basic earnings per share	2.26		1.64		2.02	
Continuing operations	2.34		1.87		2.02	
Discontinued operations	(0.08)		(0.23)			

(c) Consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021

Unit: Baht thousand	2023	2022	2021
Net cash provided by operating activities	1,205,454	852,723	755,125
Net cash from (used in) investing activity	(803,865)	(664,390)	(275,732)
Net cash used in financing activities	(467,062)	(242,210)	(523,407)
Net increase (decrease) in cash and equivalents	(65,472)	(53,877)	(44,014)
Cash and cash equivalents at 1 January	163,355	217,232	261,246
Cash and cash equivalents at 31 December	97,882	163,355	217,232

(d) Key financial ratio of the consolidated financial statements

	2023	2022	2021
LIQUIDITY RATIO			
Current ratio ^{1/} (Times)	0.92	1.05	1.30
Quick ratio ^{2/} (Times)	0.54	0.64	0.77
Cash flow liquidity ratio ^{3/} (Times)	0.94	0.79	0.80
Accounts receivable turnover ^{4/} (Times)	12.82	12.90	13.85
Average collection period ^{5/} (Days)	28.47	28.30	26.35
Inventory turnover ratio ^{6/} (Times)	12.82	12.20	12.12
Day's supply in inventory ^{7/} (Days)	28.47	29.93	30.13
Accounts payable turnover ratio ^{8/} (Times)	12.05	12.40	15.06
Average payment period ^{9/} (Days)	30.28	29.43	24.24
Cash Cycle ^{10/} (Days)	26.66	28.80	32.24

^{1/} Current ratio = Total current assets / Total current liabilities

^{2/} Quick ratio = (Trade accounts receivable + Cash and equivalents) / Total current liabilities

^{3/} Cash flow liquidity ratio = Cash flows from operating activities / Average current liabilities

^{4/} Accounts receivable turnover = revenue from sale of goods / Average trade accounts receivable

^{5/} Average collection period = 365 / Trade accounts receivable turnover ratio

^{6/} Inventory turnover ratio = Cost of sales of goods / Average inventories

^{7/} Day's supply in inventory = 365 / Inventory turnover ratio

^{8/} Accounts payable turnover = Cost of sales of goods / Average accounts payable

^{9/} Average payment period = 365 / Accounts payable turnover ratio

^{10/} Cash Cycle = Average collection period + Day's supply in inventory - Average payment period

	2023	2022	2021
PROFITABILITY RATIO			
Gross profit margin ^{11/} (%)	42.15	40.93	40.27
Operating profit margin ^{12/} (%)	7.86	8.18	8.18
Net profit margin ^{13/} (%)	7.66	6.27	8.18
Return on equity ^{14/} (%)	15.57	11.71	15.17
EFFICIENCY RATIO			
Return on assets ^{15/} (%)	11.82	9.42	11.91
Return on fixed assets ^{16/} (%)	19.86	18.58	20.54
Total assets turnover ^{17/} (Times)	1.27	1.22	1.22
FINANCIAL POLICY RATIO			
Debt to equity ratio ^{18/} (Times)	0.65	0.58	0.50
Interest coverage ratio ^{19/} (Times)	57.83	63.84	49.64
Dividend payout ratio ^{20/} (%)	69.83	70.21	67.19

^{11/} Gross profit margin = Gross profit / Revenue from sale of goods x 100

^{12/} Operating profit margin = Operating profit / Revenue from sale of goods x 100

^{13/} Net profit margin = Net profit / Revenue from sale of goods x 100

^{14/} Return on equity = Retain earnings / Average equity attributable to owners of the parent x 100

^{15/} Return on assets = Profit (loss) before interest and income tax expense / Total assets x100

^{16/} Return on fixed assets = (Retain earnings + depreciation / Average fixed assets x100

^{17/} Total assets turnover = Total revenue / Average Fixed assets

^{18/} Debt to equity ratio = Total liabilities / equity attributable to owners of the parent

^{19/} Interest coverage ratio = Profit before interest and tax expense / Finance costs

^{20/} Dividend payout ratio = Dividend per share / Net profit per share x100



5 General Information and Other Important Information

5.1 Reference

Registrar

Thailand Securities Depository Co., Ltd.
93 Ratchadaphisek Road, Dindang, Bangkok 10440
Tel: 0 2009 9000 Fax: 0-2009 9991
SET Contact center: 0-2009 9999
E-mail: SETContactCenter@set.or.th Website:
<http://www.set.or.th/tsd>

Auditor

KPMG Phoomchai Audit Ltd.
Empire Tower, 50th -51st Floors, 1 South Sathorn
Road, Yannawa, Sathorn, Bangkok 10120
Tel: 0 2677 2000 Fax: 0-2677 2222
E-mail (general issues): info@kpmg.co.th
Website: www.kpmg.com

5.2 Other Important Information

- None -

5.3 Legal Disputes

- None -

5.4 Secondary Market

- None -

PART **2**

Corporate Governance Policy



Corporate Governance Policy

6.1 An Overview of Corporate Governance Policies and Practical Guidelines

The Board of Directors and the Executives have been giving priority to and guidelines for corporate practice, control and supervision by cultivating the Principles of Corporate Governance and Business Ethics among all sectors and levels of the employees. This aims to enhance efficiency and strength of the organization and promote sustainable growth, with the main focus on the Principles of Good Corporate Governance and continual development, so that the organization will be efficient in business operation and can make the highest benefits for its shareholders, its stakeholders, the society as a whole and the environment, including adhering to morals and ethics of operating verifiable business. Therefore, the Company has prepared the Handbook of Business Code of Conduct, whereas the Corporate Governance and Risk Management Committee is responsible for supervising all the directors, executive directors, executives and employees to abide by the rules and regulations as specified the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET), the Articles of Association of the Company, the regulations as stipulated by the Public Limited Company Act, and other related laws as publicized on the Company's website under the heading of Corporate Governance or <https://www.haadthip.com/en/about/good-corporate-governance> .

The Company also informs all the employees of the Ethical Business Operation Guidelines via the Employee Handbook on the days when they start working, so that they shall behave morally, honestly, responsibly and transparently towards different groups of stakeholders: customers, partners, rivals, shareholders, society, employees and co-workers. The guidelines have been specified in compliance with the Revised Business Code of Conduct as follows:

1. Realization of roles and responsibilities of the Directors as leaders who create sustainable value to the business;
2. Specification of the objectives and major goals of the business to be achieved for the sustainability purpose;
3. Enhancement of the Directors' effectiveness;
4. Recruitment and improvement of high-ranking executives and personnel management;
5. Promotion of innovation and responsible business operation;
6. Provision of the appropriate risk management system and internal control;
7. Maintenance of financial credibility and information disclosure; and
8. Promotion of participation and communication with shareholders.

Since the Board of Directors gives priority to good corporate governance and understands the Directors' roles, duties and responsibilities for the Company and all groups of the shareholders and stakeholders, the Company abides by the code of conduct for directors of listed companies in accordance with the guidelines required by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission, Thailand (SEC). According to the results of the survey on Corporate Governance of Listed Companies in 2023 conducted by the Thai Institute of Directors Association (IOD), the Company obtained an average score of 96% at a rate of "Excellent" or 5-star level (). It was also scored between 90 and 99 which is rated as 4 stars (), according to the Shareholders' Annual General Meeting Project of the Year 2023 (AGM Checklist), conducted by the Thai Investors Association (TIA).

Corporate Governance Policy

The Board of Directors has formulated the Company's Corporate Governance Policy in compliance with the guidelines specified by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission, Thailand (SEC) and referenced from the International Corporate Governance Principles of the Organization for Economic Cooperation and Development (OECD), with which the directors, the executives and all levels of the employees shall comply responsibly, carefully and honestly. The Board of Directors has also continually prepared communication, created understanding and monitored governance-related performances in order to ensure all groups of the shareholders, investors, stakeholders and related persons of the following:

1. The Board of Directors shall devote themselves to and be responsible for performing their duties, have independence, caution and honesty in order to achieve the goals as specified and clearly delegate roles and duties to the Chairman and the CEO.
2. The Board of Directors plays an important role in determining the Company's vision, strategies, policies and important plans by taking into consideration risk factors and establishing appropriate management approaches to ensure reliability of the accounting systems, financial reports and audits.
3. The Board of Directors shall be a leader of ethics, an example of operating in accordance with Good Corporate Governance Approach, and monitor management to solve conflicts of interest and connected transactions.
4. The Board of Directors shall possibly appoint some specific boards as appropriate so that they can assist in carefully considering and screening important tasks.
5. The Board of Directors shall consider determining the Company's philosophy and code of conduct so that all levels of the boards, executives, officials and employees as the operational guideline to be followed along with the Company's regulations.
6. The Board of Directors shall organize an annual operation assessment which can be used as a framework of inspecting its operations.
7. The Board of Directors shall enable the Company's shareholders to be equally treated, access information and communicate with the Company via appropriate channels.
8. The Board of Directors shall appropriately provide a system for recruiting personnel who will be responsible for holding all levels of important executive positions, including a fair and transparent nomination process.
9. The Board of Directors shall organize a sufficient, reliable and timely disclosure of the Company's financial and non-financial information so that the Company's shareholders and stakeholders will equally access information. Moreover, the Board of Directors shall establish the Investors Relations Unit, which is responsible for providing information to investors and the general public.
10. The Board of Directors shall provide an efficient system which supports anti-bribery and corruption to ensure that the Management will realize and prioritize anti-bribery and corruption, including abiding by the anti-corruption measure.

The Company has its Business Code of Conduct published in Thai and English via Intranet and on the Company's website.

Board of Directors-related Policy and Guideline

The Board of Directors consists of experienced experts with leadership, vision, independent decision-making, devotion and perseverance. They shall perform their duties responsibly, carefully and honestly for the highest benefits of the Company and all the shareholders and the stakeholders. The Board of Directors has been appointed to supervise the Company's operation, whereas the Management has been appointed to take charge in business operation. The specific boards have been appointed to carry out specific tasks, while the Company Secretary has been appointed to proceed a meeting and abide by laws. The topics on the Board of Directors-related policy and guideline are specified as follows:

1. Components of the Board of Directors

The Board of Directors consists of experienced experts with leadership, vision, independent decision-making, devotion and perseverance. They shall perform their duties responsibly, carefully and honestly for the highest benefits of the Company and all the shareholders and the stakeholders.

The Board of Directors of HaadThip consists of 14 persons: 5 independent directors (or more than 1/3 of the whole Board of Directors), 3 directors who are the executives, and 11 directors who are not the executives. The Chairman of the Board shall be an independent director, whereas the Directors shall vary in terms of skills, knowledge, capability, experiences, races, nationalities, genders and ages. However, to produce efficient work and mental diversity, the Company's Board of Directors consists of 2 female members, that is, 1 of them are not the executives, namely, Mrs. Kerry-Ann Shipp, and 1 of them is an executive, namely, Mrs. Pariya Chirabandhu.

2. Independence of the Board of Directors

To protect the Company's and the shareholders' benefits, the Board of Directors shall identify, make comments and cast votes during activities where they have authority to make decisions independently. If their decisions are made under pressure or at stake, they tend to be based on their decision-makers or their intimates or for their benefits. Therefore, independence of the Board of Directors should be particularly taken into consideration.

3. Roles, Duties and Authorities of the Board of Directors

The Board of Directors shall act as delegates for shareholders, take charge in operational results on shareholders, determine growth directions, make important decisions for the Company with caution and honesty and also play a vital role in supervising the Company's business for its highest benefits. The Board of Directors shall professionally perform their duties to take care of all parties' benefits and be independent on the Management so that it can supervise operations and performances of the Management, risk management and remuneration.

4. Roles and Duties of the Chairman

- The Chairman shall be independent on the Management, refrain from intervening their daily management routines and have different roles and duties when compared with those of the Management.
- The Chairman shall supervise the Board of Directors to perform their duties efficiently and promote, give advice to and assist in the Management's operation to be carried out within the authority frame assigned by the Board of Directors.
- The Chairman shall approve of organizing agendas of the Board meetings by discussing with the CEO.
- The Chairman shall efficiently act as the chairman of all Board of Directors' and Shareholders' Meetings.
- The Chairman shall encourage the directors to comply with and adhere to the scope of their authority and responsibilities for the shareholders and stakeholders as well as the Company's Good Corporate Governance Principles, Ethical Standards and Business Code of Conduct.

5. Establishment of Sub-Committees

To make careful and efficient consideration and screening of important operations, the Board of Directors has established four Sub-Committees: the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee and Sustainability Development Committee.

6. Board of Directors' Meetings and Receipt of Documents

All the Directors should attend every Board of Directors' Meeting for which to office of the Company Secretary is responsible for preparing documents and meeting rooms and coordinating with related parties. Meeting date plan was informed at the end of previous year in exception of unplanned urgent meeting due to urgent agenda for proper and smooth company's operations and the office will schedule with directors at least 7 days. The Company's directors receive invitation and agenda at least 5 working days before the meeting and relevant information as pre-read for the meeting.

In 2023, the Board of Directors set the Board of Directors' Meeting dates in advance which took place in February, March, May, July, August and November for total of 6 meetings.

7. The Company Secretary

The Board of Directors appoints the Company's Secretary who prepares Board of Directors' and Shareholders' Meetings so that they can proceed smoothly and transparently in accordance with rules and legislation.

8. Performance Appraisal

The Board of Directors shall have a performance appraisal conducted every year because it can be used as a framework for inspecting its operations, considering, as well as reviewing and analyzing performances for further operational improvement.

9. Remunerations for the Board of Directors and the CEO

The Nomination and Remuneration Committee shall manage and consider their remunerations before proposing them to the Board of Directors for agreement. Remunerations for Directors shall be proposed to shareholders for approval. (details of remunerations for the Board of Directors and management under Part 2, 7.4 Management team and 8.1.2 Meeting attendance and meeting allowance for the Directors.)

10. Succession Plan

The Board of Directors ensures the Company to have adequate management in terms of numbers, qualifications and experiences including succession in case of retirement, resignation or inability to perform duties of top management. Hence the Company has succession plan.

In the succession of CEO position, the Company set up procedure and policy for CEO selection. The Company has selection process for internal and external candidates including plan to develop external candidates. The qualification of CEO includes skills, working experience, capability and leadership to lead the organization for long-term targets. The selection process is through the consideration of the consideration of nomination and remuneration committee and approval of the Board of Directors.

The Company prepares human resources for succession plan and has management development plan and human resource development plan for preparation for future vacant position.

11. Director Development

The Company organizes an orientation for new Directors and prepares the Directors' Handbook, documents, information useful for being the Company's Directors, including a description on business operation tips to provide knowledge and understanding of business and aspects of operations, as well as policies and operational guidelines for the Company's Good Corporate Governance. This aims to improve the new Directors' knowledge, capability and skills before they hold office.

The Company has plan for director orientation for all new directors. In 2023, there was no new directors. Consequently, there was no director orientation.

12. Policy of Being Directors or Executives at Other Listed Companies

The Company specifies the policy of being directors at no more than 5 other listed companies in Thailand, that is, the Directors who are also the executives can hold office at no more than 2 other listed companies, whereas the CEO cannot hold any office at other listed companies.

13. Supervision of Subsidiaries and Affiliates

The Company has a policy of appointing delegates Directors authorized over its subsidiaries to monitor and supervise their management efficiently and effectively in compliance with the Company's guidelines, strategies and policies. The Company supervises its joint ventures in accordance with the strategies as mutually agreed and identified in the joint venture contracts.

Stakeholder-related Policy and Operational Guideline

1) Rights of Shareholders

The Board of Directors realizes the shareholders' rights as specified by laws and therefore encourage them to exercise their rights as appropriate and refrain from doing anything that violates the shareholders' rights or deprive them of their rights, no matter what critical events or situations that cannot be controlled by the Company happen, such as the spread of COVID-19. For this reason, the Company had to organize the 2023 Shareholders' General Meeting in form of Hybrid meeting for the first time, allowing shareholders to attend the meeting at meeting place or via online. The Company fully promotes the shareholders' rights and allows the minority of shareholders to propose additional agendas in advance before the day when the Shareholders' Meeting is held, including nominating candidates qualified for being the Company's Directors by disseminating the rules, as well as complaint channels and periods of time to the shareholders via the Company's website or communicating via the Company's website about information and documents related to the Shareholders' General Meetings, resembling the ones, coupled with invitation letters, mailed by the Company to the shareholders. The invitation letters include the following information: (1) agendas of the meetings, including the Board of Directors' reasons and opinions on proposed matters; (2) dates, time and details of using the meeting system step by step via electronic media; (3) registration principles and documents and (4) opportunities for the shareholders to send queries related to the agendas beforehand to the Company by email at CS.bkk@haadthip.com or by fax at 02-381-2257 or by reply post to the Company Secretary's Office at 36/6 Soi Ramkhamhaeng 21 (Navasri) Yaek 5, Khwaeng Plabpla, Khet Wang Thonglang, Bangkok 10310 so that the Board of Directors will consider the queries and completely reply to them at the Shareholders' Meetings.

Schedules of Shareholders' Meetings

The Company schedules an annual Shareholders' Meeting to be held within 4 months after the last day of the Company's fiscal year. In case of emergency in proposing special agendas, which affect or involve the Shareholders' benefits or enactment of terms, rules or laws having been approved by the shareholders, the Company will call for Shareholders' Extraordinary General Meetings depending on each specific case.

The Company scheduled the Shareholders' General Meeting of the year 2023 on Friday 21st April 2023 at 14:00 hours by Hybrid Meeting. Shareholders and proxy can attend via either electronic means (E-AGM) or physical meeting at Ballroom 1, 5th Floor, Hyatt Regency Bangkok Sukhumvit Hotel, 1 Soi Sukhumvit 13, Khlong Toei Nuea, Watthana, Bangkok 10110 and the Shareholders' Extraordinary General Meeting No. No.1/2023 on Wednesday 23rd August 2023 at 14:00 hours by Electronic Means (e-EGM), live broadcasting from Praram 9 room, SC Park hotel, Wangthonglang District, Bangkok.

Dispatching of Invitation Letters in Advance

The Company organized the Annual General Shareholders' Meeting for 2023 on Friday April 21, 2023 in accordance with the resolution of the Board of Directors' Meeting No. 2/2023 on Friday March 3, 2023 and disclosed resolution, date, agenda and news on the Stock Exchange of Thailand's website for shareholders' acknowledge since the date of the Board of Directors' resolution. The Company has assigned Thailand Securities Depository (TSD), acting as the registrar of the Company's securities, to dispatch invitation letters with related documents, to the Shareholders 21 days before the Shareholders' Meeting. The invitation letters were sent out on 31 March 2023 and announced on local daily newspapers for 3 consecutive working days or 3 days (10-12 April 2023) before the Meeting day so that the Shareholders will be reminded of the Meeting and have enough time to prepare themselves for the Meeting.

As for the 2023 Shareholders' General Meeting, the Company has disclosed the information on the Letter of Invitation and supporting documents on the Company's website at www.haadthip.com prior to the Meeting date (since 24 March 2023).

How to Conduct a Shareholders' Meeting

Before each Shareholders' Meeting, the Chairman of the Meeting shall introduce the Board of Directors, the Management, the Auditors, the Moderator and the Witnesses to the Meeting and then notify all the rules and the method of counting Shareholders' votes on resolutions for each agenda, as specified by the Company's regulations, including explicitly exercising the right to vote at each agenda. After notifying the Meeting of the information as specified in the agenda, the Chairman shall allow all the participants to express opinions and suggestions or ask queries related to the agenda. After that, the Chairman and the executives shall reply to each query clearly, relevantly and equally. Then the Meeting shall vote on resolutions at the agenda. As for an election of Directors, the chairman shall allow each shareholder to vote individually.

However, since the 2023 Shareholders' General Meeting was conducted in form of Hybrid meeting, allowing shareholders to attend in person at meeting room or via online, the Company had prepared efficient staff, as well as appropriate systems and technology in order to facilitate the shareholders a proxy holder at each stage of attending the Hybrid Meeting for shareholders attending in persons at meeting room and via online provided by Inventech System Co., Ltd., which took charge from registration, vote counting, query submission to processing. Each participant can watch live broadcast throughout the Meeting, including the results of vote counting at each Agenda.

Before the Meeting started, the Company explained to the shareholders and the proxy holders how to cast and count votes and ask queries. Then the shareholders and the proxy holders were informed of the results of vote counting at each agenda. The Chairman would conduct the Meeting in order of the agendas and not add any agendas without giving any prior notice to the Shareholders and the proxy holders, except that the Meeting would reach a solution to re-arrange the agendas with a majority vote of two-thirds or more of the Shareholders attending the Meeting and having the right to vote. The shareholders with no less than one-third of a total number of sold-off shares may ask the Meeting to consider other matters not included in the invitation letters. However, at the 2023 Shareholders' General Meeting, no re-arrangement of the agendas was made, and the Meeting was not requested to consider other matters not included in the invitation letters. The voting time was 2 minutes of each agenda.

At the beginning of the 2023 Shareholders' General Meeting, 145 shareholders attended the Meeting, and 68 of them attended the Meeting in person, holding 43,716,908 shares in total, whereas 77 proxy holders held 98,519,672 shares in total. Therefore, both the shareholders and the proxy holders held 142,236,580 shares in total or 70.7783%, which exceeded one-third of the issued and paid-up shares capital of the Company's totaling 200,960,500 shares.

After the Meeting has begun, more shareholders and proxy holder gradually arrive, which has led to an increase in the total number of shareholders to 188 shareholders, totaling 142,325,604 shares or 70.8226% that can be divided in to 104 shareholders in person totaling 43,780,628 shares, and 84 shareholders attending by proxy to 98,544,976 shares.

The Directors, the Executives and the Auditors attending the Meeting and giving replies and explanations were as follows:

Directors attending the Meeting in person

1. Gen. Charan Kullavanijaya Independent Director/Chairman
2. Maj. Gen. Patchara Rattakul Authorized Director / Chairman of Sustainability Committee / Chairman of the Corporate Governance and Risk Management Committee / Chief Executive Officer
3. Mr. Prakrit Pradipasen Independent Director / Chairman of the Audit Committee
4. Mrs. Pariya Chirabandhu Authorized Director / Member of the Nomination and Remuneration Committee
5. Mr. Yanyong Maethapanich Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee/ Member of the Corporate Governance and Risk Management Committee
6. Mr. Dumrongrugs Apibalsawasdi Authorized Director / Member of the Corporate Governance and Risk Management Committee / Member of Sustainability Committee
7. Mr. Pongsakorn Thiengtham Director
8. Mr. Pakorn Sukkhum Director

Directors attending the Meeting via online media

1. Mrs. Kerry-Ann Shipp Director

Apologies

1. Mr. Philipp Hugo Gutsche Director
2. Mr. Johan Willem Maarten Jansen Independent Director
3. M.L. Dhisana Sritavaj Director
4. Pol. Gen. Jaruvat Vaisaya Director
5. Mr. Swin Chatsuwan Independent Director / Member of the Audit Committee

Executive attending the Meeting in person

1. Mr. Amrit Kumar Shrestha Chief Financial Officer (CFO)
2. Mr. Riccardo Vrodom Sucharitkul Vice President - Corporate Strategy
3. Miss Plernpun Rutchakitprakarn Executive Assistant to the CEO
4. Miss Nithinart Juntasurat Accounting Director in charge of accounting supervision (accountant)
5. Mr. Sarapat Thiengtham Managing Director - HT Food & Beverages Co., Ltd. (HTFB)
6. Miss Marisa Sangvoranit Company Secretary

Executives attending the Meeting via online media

1. Mr. Jose Henrique Zeitune Chief Operating Officer (COO)
2. Mr. Ekachai Pukdeemakanon Managing Director - HT Development Co., Ltd.

List of Online Attending Auditors from KPMG Phoomchai Audit Co., Ltd

1. Ms. Krittika Kongkerd CPA
2. Ms. Prangthip, Acharapornphan CPA

Legal representative and vote counting witness attending the Meeting in person

1. Mr. Abdul Kosakijjalert Lawyer

Volunteer to protect shareholders right from the Thai Investors Association

1. Ms. Pim Pichotwonglert Attending at meeting room
2. Ms. Chanathip Wittayakul Attending via online

The Board of Directors' Meeting No. 4/2023 on Friday July 7, 2023 had a resolution to set the Extraordinary General Shareholders' Meeting No.1/2023 on Wednesday 23 August 2023 via electronic means (E-EGM). At the beginning of the Extraordinary General Shareholders' Meeting No.1/2023, 151 shareholders attended the Meeting, and 18 of them attended the Meeting in person, holding 41,549,484 shares in total, whereas 133 proxy holders held 93,051,115 shares in total. Therefore, both the shareholders and the proxy holders held 134,600,599 shares in total or 66.9786%, which exceeded one-third of the issued and paid-up shares capital of the Company's totaling 200,960,500 shares.

After the Meeting has begun, more shareholders and proxy holder gradually arrive, which has led to an increase in the total number of shareholders to 157 shareholders, totaling 136,421,299 shares or 67.8846% that can be divided in to 24 shareholders in person totaling 43,370,184 shares, and 133 shareholders attending by proxy to 93,051,115 shares.

The Directors, the Executives and the Auditors attending the Meeting and giving replies and explanations were as follows:

Directors attending the Meeting in person

1. Gen. Charan Kullavanijaya Independent Director/Chairman
2. Maj. Gen. Patchara Rattakul Authorized Director / Chairman of Sustainability Committee / Chairman of the Corporate Governance and Risk Management Committee / Chief Executive Officer
3. Mr. Prakit Pradipasen Independent Director / Chairman of the Audit Committee
4. Mrs. Pariya Chirabandhu Authorized Director / Member of the Nomination and Remuneration Committee
5. Mr. Pongsakorn Thiengtham Director
6. Mr.Pakorn Sukkhum Director

Directors attending the Meeting via online media

1. Mr. Yanyong Maethapanich Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee / Member of the Corporate Governance and Risk Management Committee
2. Mr. Swin Chatsuwan Independent Director / Member of Audit Committee

Apologies

1. Pol. Gen. Jaruvat Vaisaya Director
2. Mr. Philipp Hugo Gutsche Director
3. Mr. Johan Willem Maarten Jansen Independent Director
4. Mrs. Kerry-Ann Shipp Director
5. M.L. Dhisana Sritavaj Director
6. Mr. Dumrongrugs Apibalsawasdi Authorized Director / Member of the Corporate Governance and Risk Management Committee / Member of the Sustainability Committee

Executive attending the Meeting in person

1. Mr. Amrit Kumar Shrestha Chief Financial Officer (CFO)
2. Mr. Riccardo Vrodom Sucharitkul Vice President - Corporate Strategy
3. Miss Plernpun Rutchakitprakarn Executive Assistant to the CEO
4. Miss Marisa Sangvoranit Company Secretary

Executives attending the Meeting via online media

1. Miss Nithinart Juntasurat Accounting Director in charge of accounting supervision

Legal representative and vote counting witness attending the Meeting via online media

1. Mr. Adul Kosakijjalert Lawyer

Volunteer to protect shareholders right from the Thai Investors Association

1. Ms. Arunee Rodson Attending via Electronic means

Guidelines Related to Conflicts of Interest for Shareholders' Meetings

The Board of Directors has specified the Shareholders' Meeting Guidelines, stating that, if any Director has a stake or involvement in any agenda, he/she shall inform the Meeting of his/her not attending the Meeting or refraining from voting at that agenda.

Actions Taken after Shareholders' Meetings

The Company shall dispatch a summary of resolution results obtained from Shareholders' Meetings to the Stock Exchange of Thailand after the meeting completion no later than 9:00 hrs. of the next working day and prepare as well as submit the Shareholders' Report which records the minutes, voting results including approve, disapprove, abstain and void at each agenda and dispatch minutes of shareholders' meeting (Minutes separate each agenda and identify number of name of attended and absent directors, number of shareholders and number of voting rights as at the beginning of the shareholders' meeting, regulation and procedure of vote counting, shareholders' queries, report from directors, results of voting in each agenda) within 14 days and have it published on the Company's website at www.haadthip.com altogether.

2) Equal Treatment Towards Shareholders

All of the shareholders of the Company shall be fairly and equally treated in accordance with their fundamental rights, regardless of gender, age, race, nationality, belief, social status, disability or political view. Although any Shareholder cannot attend the Meetings for any reason, he/she still has the right to authorize a proxy or an independent director to attend the Meeting and cast votes on his/her behalf. Moreover, the Company has imposed a measure to prevent conflicts of interest or wrongful exploitation of internal information for one's own or others' benefits.

Guidelines for Equal Treatment Towards Shareholders

1. Proposal of Additional Agendas and Pre-nomination of Directors

To enable Shareholders to get involved in its operation, the Company has specified the principles that allow the majority of Shareholders to propose agendas and/or pre-nominate someone to be elected Directors. The principles have been published on the Company's website at www.haadthip.com

The majority of shareholders were given an opportunity to have the right to propose additional agendas and/or pre-nominate candidates for Directors during the 2023 Shareholders' General Meeting. The Company had the principles published on the Company's website at www.haadthip.com from November 2, 2022 to December 31, 2022 and on the SET's website. However, no shareholders proposed additional agendas or pre-nominated any candidates for the Directors of the Company which Company Secretary reported to the Board of Directors' Meeting.

2. Authorizing a Proxy to Attend Meetings

To maintain the right for any Shareholders unable to attending the Meeting, he/she may authorize a proxy or an independent director of the Company by identifying the name of his/her proxy/independent director on the proxy form as required by the Ministry of Commerce so that the proxy/ independent director can attend the meeting and cast votes on his/her behalf unconditionally.

Moreover, the company has the proxy form which are form A, form B and form C published on the Company's website at www.haadthip.com at least 28 days or so before the Shareholders' Meeting day. For more information, the shareholders can call or contact via other channels such as website and email.

3. Internal Information Protection

The Company has established the good guidelines for internal information protection by forbidding Directors, Executives and all levels of Employees to exploit any unpublished internal information essential for changes in the stock prices of the Company for their own benefits which including securities trading .

3) Roles Towards Stakeholders

The Company gives priority to giving protection for attention to all groups of Stakeholders as required by laws, refrains from violating Stakeholders' rights, promotes mutual responsibility between the Company and all groups of stakeholders: shareholders, employees, partners, business rivals, creditors, communities and environment. The details are as follows:

Shareholders: In addition to fundamental rights as specified by laws and the Company's regulations, such as the right to attend Shareholders' Meetings, the right to vote, the right to express opinions freely at the Meetings and the right to receive fair compensation, the Company also gives the shareholders the right to propose agendas and/or pre-nominate candidates for Directors, as specified in the Company's principles and methods, and have them published on the Company's website.

Employees: The Company treats all the employees equally and fairly, respect human rights, give them appropriate compensation, encourage them to improve knowledge and skills, provides them with opportunities thoroughly and regularly, maintains their work environments, strictly abides by employee-related laws and regulations and enhance their determination to prevent and eliminate all forms of corruption. According to the Company's policy, the Employees' names shall be appropriately protected and kept secret.

Customers: The Company shall manufacture standard and quality products, focuses on safety and quality of the products under the Coca-Cola Quality Control System, which is of the same standard throughout the world and was certified with the Food Safety Management System Certification (FSSC 22000), avoid setting exorbitant prices or unfair conditions on customers, keep customers' secrets, provides customers with complaint service centers, and takes immediate actions for ultimate customer satisfaction with the products and services.

Traders: The Company shall purchase products and services from traders, as required by the normal trading conditions, by strictly complying with contracts and promises made with traders and refrain from dishonestly requesting, receiving or paying any trade benefits when doing business with traders.

Business Rivals: The Company shall do business under the good competition rules, maintain the norms of competition rules, refrain from hacking into secret information of the trade rivals, and avoid using dishonest tactics to destroy the rivals. During the past years, the Company has made no trade disputes with its rivals.

Creditors: The Company shall strictly maintain and fulfil the conditions made with its creditors, regarding repayment, collateral security, and other conditions and refrain from spending loans on contrary with the objectives in the agreement made with the creditors.

Communities and Environment: The Company has determined the Quality policy and the Safety and Environment Policy and encouraged the Employees to follow the policies to ensure all related persons that the Company always considers factors of quality, safety and environment and makes continual development. Moreover, the Company has been certified with the ISO 14001: Environmental Management System Standard, and the CSR-DIW Awards 2010 and 2011: Corporate Social Responsibility, by the Department of Industrial Works.

In addition to giving priority to all groups of the stakeholders aforementioned, the Company pays attention to suggestions, opinions or whistleblowing which enables the Company to develop, improve or proceed its operation. The Company also provides the Stakeholders with contact channels in case of any inappropriate or incorrect situations. If any Stakeholder would like the Company to correct or clarify anything or would like to make suggestions, he/she can contact the Internal Audit Office at internalaudit@haadthip.com or call 074-210-008-18 ext. 124, 307 or call the Customer Information center (CIC) at

074-210-008-18 ext. 242, 252.

4) Information Disclosure and Transparency

The Board of Directors has a policy for the Company to operate with transparency and traceability, disclose sufficient information to all related parties, take care of disclosing correct, complete, and reliable information equally accessible to all parties.

The Company shall respect and pay attention to personal information protection of all groups of related Stakeholders, prevent personal information from being exploited and keep such information safe, as required by the Personal Information Protection Law. The Office of Investors Relations is responsible for disseminating the Company's financial and general information to its securities analysts and investors and being a channel for interested persons to contact and communicate with the Company. During the spread of COVID-19, the Office of Investors Relations has changed forms of meeting with the Company's securities analysts and investors into virtual and telephone meetings, whereas the Company Secretary's Office is responsible for disseminating information, spreading news, and communicate as well as contact with Shareholders in order to equally provide them with correct, sufficient information in a timely manner, in accordance with related rules, standards and guidelines.

Moreover, the Company has a policy of internal information management and disclosure so that the information essential for changes in stock prices or securities values will be correctly disclosed to the public, not against related laws and regulations. That is, all the Directors, Management and Employees follow the same policies which cover internal information management methods, characteristics of internal information to be disclosed and internal information disclosure methods.

As for the financial reports, the Company has prepared financial statements in accordance with the Accounting Standards and the Financial Reporting Standards, promulgated by the Federation of Accounting Professions, including the Generally accepted Accounting Principles of Thailand, from which the appropriate accounting policies have been selected and regularly adopted. The Board of Directors is responsible only for separate financial statements of the Company and consolidated financial statements of the Company and its subsidiaries, preparing them with careful consideration and optimal estimation, and disclosing enough important information in the footnotes to financial statements, so that the financial statements will be reliable and useful for Shareholders and general investors.

In terms of product-related information, the Company shall sell products and do marketing honestly and responsibly. All the information used for sale promotion, advertising and communication in the name of the Company shall not be false or misunderstood. Instead, it shall include honest and transparent explanations of facts and relevant information and comply with related laws and regulations. The practical guideline for information disclosure and transparency can be summarized as follows:

1. The Company gives priority to disclosure of its important information, both financial and non-financial, to Shareholders and investors in an accurate, complete, timely and reliable manner, as specified by rules and regulations, and the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET) via the SET channel at SET Community Portal www.setportal.set.or.th or the Company's website at www.haadthip.com, both in Thai and in English, so that users can equally access the information.
2. The Company discloses information in the 56-1 One Report Form, as specified by the regulations of the SEC and the SET.
3. The Company stipulates that audit fees and other related service fees be disclosed in the 56-1 One Report Form.
4. The Company requires that the Board of Directors report their responsibilities for financial reports, coupled with auditor' reports, in the 56-1 One Report Form.
5. The Company has determined the principles, conditions and methods of reporting stake-holding of Directors, Management and related persons in compliance with Article 89/1 of the Securities and Exchange Act (No.4) B.E. 2551.
6. The Company shall have roles and duties of the Board of Directors, and the sub-committees , frequencies of the Meetings

and frequencies of their attendance during the past year disclosed in the 56-1 One Report Form.

7. As for Investors Relations, Mrs. Anyanee Kerrick, Investors Relations Manager, is responsible for investors relations work, that is, coordinating with and providing information to institutional investors, analysts and shareholders. The Investors Relations manager can be reached by telephone at 02-391-4481 Ext. 138, 8248 or by email at ir@haadthip.com. In 2023, the Company organized investor relation activities as follows:

- 1) 4 analyst meetings

- 2) 7 one-to-one meetings with analyst fund
 - i. Macquarie Securities (Thailand) Limited
 - ii. Ayutthaya Alliance Insurance Limited
 - iii. Kasikorn Asset Management Pcl.
 - iv. Fidelity Investment
 - v. Toccata Capital
 - vi. Sixteenth Street Capital
 - vii. Somerset Capital Management

- 3) 2 Plant visits for security analysts and Institutional Investors

Security analysts - 5 companies

- i. Yuanta Securities (Thailand) Limited
- ii. InnovestX Securities Limited
- iii. Beyond Securities Pcl.
- iv. Kasikorn Securities Pcl.
- v. Dao Securities (Thailand) Pcl.

Institutional Investors: 6 companies

- i. Talis Asset Management Limited
- ii. Aberdeen Asset Management (Thailand) Limited
- iii. Bangkok Capital Asset Management Limited
- iv. KWI Asset Management Limited
- v. Eastspring Investments Thailand Limited
- vi. Land and Houses Fund Management Limited

4) Thailand Focus event, organized by the Stock Exchange of Thailand to meet with 11 funds

- i. Thai Life Insurance Pcl.
- ii. XSpring Asset Management Limited
- iii. Phillip securities (Thailand) Pcl.
- iv. Bangkok Capital Asset Management Limited
- v. Asset Plus Fund Management Limited
- vi. Talis Asset Management Limited
- vii. Aberdeen Asset Management (Thailand) Limited
- viii. Tardigrad Capital
- ix. Baring Asset Management (Asia) Limited
- x. East Capital
- xi. Singular Asset Management Sdn Bhd

- 5) 3 Opportunity Day, organized by the Stock Exchange of Thailand
 - 6) Answering inquiries of shareholders and investors by phone for 25 times and by email:ir@haadthip.com for 28 times
8. In terms of conflicts of interest, the Board of Directors requires that doing transactions with major shareholders, Directors, Executives or anyone related to those persons be considered and approved by the Audit Committee, which takes good care of approving every step of doing transactions, strictly abide by the criteria and methods specified by the Stock Exchange of Thailand (SET), the Securities and Exchange Commission, Thailand (SEC), and the Capital Market Supervisory Board. The transaction details such as type, value, counterparties of agreement, reasons and assurance of transparency shall be disclosed to the public via the SET's electronic media or SET Community Portal at www.setportal.set.or.th and disclose the information in the 56-1 One Report Form.

The Board of Directors has approved in principle that, if the Company does any normal or promoting transaction with Directors, Executives or related persons under normal trade conditions in the future, the Management Division can approve the transaction and shall prepare a summary of doing any transaction worth more than Baht 50 million and report the summary to the Meeting at the next meeting, in order to comply with Article 89/12 of the Securities and Exchange Act (no. 4) B.E. 2551.

6.2 Business Ethics

The Board of Directors has specified the code of conducts related with business ethics, in compliance with the Company's vision, so that the Company will grow along with the good society and sustainability. The Business Ethics shall be strictly followed by the Board of Directors, the Management, the employees and related agencies and used as the practical guideline for completing missions as assigned by the Company with loyalty, honesty and uprightness towards all groups of stakeholders.



Moreover, compliance with the guideline shall be regularly followed up. The content of the guideline covers the following principles:

- 1) All the shareholders and stakeholders, such as customers, creditors, business rivals, employees, the Government and the society as a whole shall be equally and fairly treated;
- 2) The Board of Directors is determined to create added value to activities in the long term with careful and discrete management, perform duties with sufficient capability and efficiency in order to create optimal benefits to the shareholders, prevent conflicts of interest and make decisions and take actions with responsibility;
- 3) The Board of Directors shall operate with transparency and traceability and give priority to disclose enough correct information in a timely manner to all parties of related persons because this leads to credibility among investors, creditors and all parties of related persons; and
- 4) The Board of Directors shall operate business by taking possible risks into consideration regularly, under appropriate risk control and management, including all forms of risks caused by corruption and anti-corruption.
- 5) With determination to promote the Principles of Good Corporate Practice, the Company encourages continual self-improvement among all agencies.

https://www.haadthip.com/GLOBAL_CODE_OF_CONDUCT

6.3 Significant Changes and Development of Corporate Governance 2023

In 2023, the Company made an important development of Good Corporate Governance as follows:

1. internally to employees and organized campaign for anti-corruption "HaadThip's Collaboration for Anti-Corruption"
2. The Company promoted and communicated inside information policy and blackout period for the Company's securities.
3. The Company conducted online learning materials for corporate governance and sustainability to executives and all staff to recognize self-knowledge for work such as basic corporate governance and PDPA.
4. The Company conducted staff commitment to the organization survey to improve and increase the commitment of staff with the recognition that staff is important part to drive company to sustainability.
5. The Company organized ethics promotion projects for internal and external organization.
6. The Company has received the Prototypical Organization for Human Rights Award 2023 under the Big Business Category at the Excellent level, being the only private organization in Southern Thailand that received this award from the Department of Rights and Liberties Protection, Ministry of Justice.

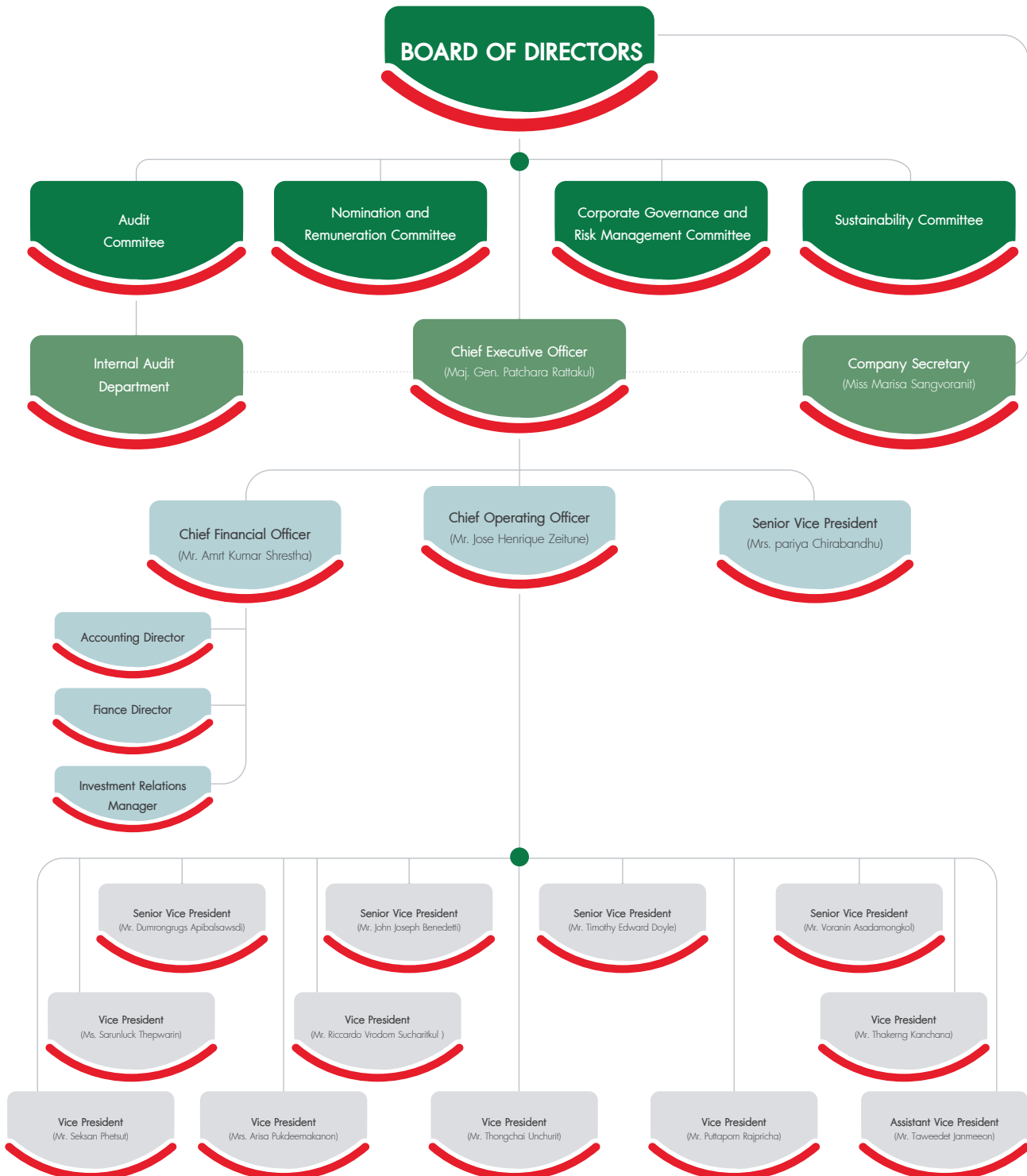
7. The Company received CGR assessment “Excellent Level” from Thai Institute of Director, supported by the Stock Exchange of Thailand as a result of the Company’s outstanding performance under the vision, “We are beverage industry leader with sustainable growth”. The business’s operation target of HaadThip is to emphasize corporate governance on Good Corporate Governance, Environment, Society and governance along with the recognition of all stakeholders and sustainable business growth.
8. The Company organized “HTC supplier Day” to communicate guideline of business operations with sustainable corporate governance and transparency. SMEs, large partners and employees joined the event.
9. The Company Received CAC Change Agent Award from Thai Private Sector Collective Action Against Corruption for the outstanding performance in good governance, creating transparency in all supply chain.
10. The Stock Exchange of Thailand selected the Company to be 1 of 193 listed companies for Thailand Sustainability Investment, “SET ESG Rating” in 2023.
11. ESG 100 Company Certificate for Year 2022 for its outstanding Environment, Social and Governance (ESG)
12. The Company received certificate for Carbon Footprint of Organization (CFO) and Carbon Footprint of Product from the Thailand Greenhouse Gas Management Organization or TGO.
13. The Company received Sustainability Disclosure Recognition from ThaiPat Organization from Sustainability ceremony for 2023. The recognition was for the organization that disclosed all operation aspects of economy, society, environment and ESG (Environmental, Social and Governance) to public and stakeholders.
14. The Company conducted risk assessment on human rights (Human Rights Due Diligence: HRDD)

However, in 2023 the Company could not abide by some of the CG codes as follows:

1. The Nomination and Remuneration Committee should consist mostly of Independent Directors (more than 50%), and the Chairman of the Nomination and Remuneration Committee should be independent directors. This code cannot be fulfilled.
2. The Board of Directors should clearly determine the Independent Directors’ terms of office in the Company Corporate Governance Policy at no more than 9 years or 3 consecutive terms of office. At present, there are 4 independent directors, namely Gen. Charan Kullavanikaya, Mr. Prakit Pradipasen, Mr. Johan Willem Maarten Jansen and Mr. Yanyong Maethapanich at the Company, whose terms of office are more than 9 years. Therefore, the Company proposed that, since all the independent directors are skilled and experienced experts, they still can be qualified for driving the Company, as specified in the Company’s mission. Although they have been holding office for more than 9 years, they are not executive directors and can make decisions independently.
3. The policy for directors and top executive to report to directors about selling and purchasing the Company’s stock 1 days in advance
4. Non-executive directors’ meeting at least 1 a year
5. Minimum quorum for the Board of Directors’ Meeting to have at least two-third of all directors.

7 Structure of Corporate Governance and Important Information about the Board of Directors, Sub-committees, Executives and Employees

7.1 Structure of Corporate Governance as of December 31, 2023



7.2 The Board of Directors

As of December 31, 2023, the Board of Directors consists of 14 Directors:

NO.	Name-Surname	position
1.	Gen. Charan Kullavanijaya	<ul style="list-style-type: none"> • Chairman • Independent Director
2.	Maj. Gen. Patchara Rattakul	<ul style="list-style-type: none"> • Authorized Director • Chief Executive Officer • Chairman of the Corporate Governance and Risk Management Committee • Chairman of Sustainability Committee
3.	Mr. Prakit Pradipasen	<ul style="list-style-type: none"> • Independent Director • Chairman of the Audit Committee
4.	Mr. Philipp Hugo Gutsche	<ul style="list-style-type: none"> • Director • Member of the Nomination and Remuneration Committee
5.	Mr. Johan Willem Maarten Jansen	<ul style="list-style-type: none"> • Independent Director
6.	Mrs. Pariya Chirabhandhu	<ul style="list-style-type: none"> • Authorized Director • Member of the Nomination and Remuneration Committee
7 .	Mr. Yanyong Maethapanich	<ul style="list-style-type: none"> • Independent Director • Member of Audit Committee (with enough accounting and financial knowledge and experience for calibrating reliability of the Company's financial statement) • Chairman of the Nomination and Remuneration Committee • Member of the Corporate Governance and Risk Management Committee
8.	M.L. Dhisana Sritavaj	<ul style="list-style-type: none"> • Director
9.	Mr. Dumrongrugs Apibalsawasdi	<ul style="list-style-type: none"> • Authorized Director • Member of the Corporate Governance and Risk Management Committee • Member of Sustainability Committee
10.	Mrs. Kerry-Ann Shipp	<ul style="list-style-type: none"> • Director
11.	Pol. Gen. Jaruvat Vaisaya	<ul style="list-style-type: none"> • Director
12.	Mr. Pongsakorn Thiengtham	<ul style="list-style-type: none"> • Director
13.	Mr. Swin Chatsuwan	<ul style="list-style-type: none"> • Independent Director • Member of the Audit Committee
14 .	Mr. Pakorn Sukhum	<ul style="list-style-type: none"> • Director

The authorized Directors sign their names on behalf of the Company:

Maj. Gen. Patchara Rattakul, CEO, signs and affixes the Company's seal, or Mrs. Pariya Chirabhandhu and Mr. Dumrongrugs Apibalsawasdi cosign and affix the Company seal.

Components of the Board of Directors

The Board of Directors, consisting of experienced experts with leadership, vision, independence in decision-making, devotion and full effort operate duties with responsibility, caution, and honesty (duty of care) in order to maintain the interests of the Company and all parties of shareholders and stakeholders, shall abide by laws, objectives, resolutions made by the Board of the Directors and the Shareholders' Meetings (duty of obedience), and discloses correct, complete and transparent information in a timely manner (duty of disclosure).

The structure of the Board of Directors of the Company is made up of diversity in terms of professional skills, specialization and gender, consisting of 14 Directors as followings:



Non-Executive Directors:

11 Non-Executive Directors (including Independent Directors), accounting for 78.6% of the entire Board of Directors



Executive Directors:

3 Executive Directors, accounting for 21.4 % of the entire Board of Directors



Independent Directors:

5 Independent Directors, accounting for 35.7 % of the entire Board of Directors (more than one-third of the entire Board of Directors)

Roles and Duties of the Board of Directors

The Board of Directors is assigned by the Shareholders to honestly and neutrally supervise business in accordance with the Company's objectives within the scope as specified in the Company's regulations in order to appropriately comply with related laws and regulations.

The Board of Directors shall supervise the Management's operation in conformity with the objectives, strategies and plans approved by the Company in order to create the ultimate interests to the Company and all parties of the stakeholders and also give the CEO authority and responsibilities to take charge in daily administration, which are clearly separated from that of the CEO's. Moreover, the Board of Directors has appointed the sub-committees to assist in taking care of specific tasks as necessary.

The scope of the Board of Directors' authority and responsibility can be summarized as follows:

- 1 The board of Directors shall operate duties responsibly, carefully and honestly in accordance with laws, objectives, regulations of the Company, and resolutions made by the Board of Directors and the shareholders and abide by the rules and regulations specified by the Stock Exchange of Thailand, the Securities and Exchange Commission and the Capital Market Supervisory Board;
- 2 The Board of Directors shall determine policies, objectives, plans and annual budgets and supervise the Directors' and the Executives' management so that they will efficiently perform duties as assigned, and regularly monitor the Management's operation;
- 3 The Board of Directors shall specify the structure of the Company diversely in different aspects necessary for business operation, such as professional skills, specializations and genders;
- 4 The Board of Directors shall stipulate reviews and participate in specifying visions, missions, and values so that the Executives and Employees will set objectives in the same direction;
- 5 The Board of Directors shall determine enough appropriate internal control and risk management systems;

- 6 The Board of Directors shall specify the guideline for doing transactions possibly causing conflicts of interest, including related transactions;
- 7 The Board of Directors shall stipulate the Board of Directors' Meetings and the Shareholders' Meetings, prepare the balance sheets and disclose the Company's information to related persons sufficiently and regularly;
- 8 The Board of Directors shall appoint specific sub-committees nominated by the Nomination and Remuneration Committee and specify the scope of the sub-committee's authority and responsibilities as follows:
 - 8.1 Audit Committee
 - 8.2 Nomination and Remuneration Committee
 - 8.3 Sustainability Committee
 - 8.4 Corporate Governance and Risk Management Committee
9. The Board of Directors specifies that the Chairman and the CEO be different persons and that the Chairman be an Independent Director, whose scope of authority as follows:

The Chairman: The Chairman is responsible for specifying policies and business plans, monitoring the Management to operate efficiently, and giving advice and assistance, but not intervening daily administration. Moreover, the Chairman shall possess leadership, prevent the Directors from being influenced by the Management, and encourage and push the participants to exercise the right to votes and abide by the Good Corporate Governance strictly and efficiently.

The Chief executive officer (CEO): The CEO is responsible for managing routine work in accordance with the objectives, policies, goals, strategies, and work plans approved by the Board of Directors, within the scope of the authority assigned by the Board of Directors.

10. Appointing the Company's Secretary and specifying the scope of authority and responsibilities to the Secretary, who coordinates between the Executives, Directors and Shareholders, organizes meetings, records minutes of Board of Directors' Meetings and Shareholders' Meetings, and takes care of information disclosure, as specified by the rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission, Thailand (SEC);
11. Supervising the Company's operation in accordance with related laws, rules and regulations, including resolutions made by the Shareholders' meetings and the Securities and Exchange Laws, as well as regulations and good guidelines of the SEC, in compliance with the Securities and Exchange Act B.E. 2535 as amended, Article 89/7-89/10;
12. Collaborating with the sub-committees to prepare the Board Charters for each committee, which determine roles, duties and responsibilities for every Director and review such charters at least once a year in order to comply with the working directions of the Company.
13. Approval Authority of The Board of Directors
 - 13.1 To approve bank borrowings for the purpose of working capital for the Company, for the part of credit line that exceeds the authority of the CEO;
 - 13.2 To approve the receipt or cancellation of credit line for loans, for the part of the credit line that exceeds the authority of the CEO;
 - 13.3 To approve the opening or closing of the fixed, savings and current accounts with financial institutions;
 - 13.4 To approve the establishment, merging or termination of the subsidiary company, affiliated company or joint venture company of the Company as per the requirements in regards to the acquisition or the sales of assets, as stipulated by the Stock Exchange of Thailand, Securities and Exchange Commission and related laws and legal requirements;
 - 13.5 To approve the investments in the fixed assets, such as new production line installation project, in accordance with the requirements in regards to the acquisition or the sales of assets, as stipulated by the Stock Exchange of Thailand, the Securities and Exchange Commission, Thailand and related laws and legal requirements;
 - 13.6 Other approval authorities shall be in accordance with the Company regulations.

7.3 Sub-committees

1. Audit Committee

The Audit Committee consists of at least 3 independent directors, one of whom shall have accounting and financial knowledge or experience sufficient for calibrating reliability of the Company's financial statement. Each Audit Director holds a 3 years' term of office, and any Audit Director who retires by rotation can be re-elected. When any Audit Director retires by rotation or cannot hold office until retirement, resulting in reduction in the number of the Audit Directors, the Board of directors shall appoint new Directors to replace the missing ones immediately or within 3 months after the day when the number of Audit Auditors is missing, for continuity in operation. Any Director appointed to be an Audit Director shall have complete elements and qualifications as specified by the Securities and Exchange Commission, Thailand and the Stock Exchange of Thailand.

The Board of Directors has appointed the Audit Committee, which consists of 3 independent directors. In 2023, the Audit Committee held 5 meetings in total:

Name-Surname	Position	Number of Audit Committee Meetings	
		2023	2022
1. Mr. Prakit Pradipasen	Chairman of the Audit Committee	5/5	4/4
2. Mr. Yanyong Maethapanich	Member of the Audit Committee	5/5	4/4
3. Mr. Swin Chatsuwana ¹	Member of the Audit Committee	2/5	1/4

¹Ms. Smornluk Mahasmiti resigned from the positions of the Company's director and member of the Audit Committee, effective on June 1, 2022. The Extraordinary General Meeting of Shareholders No.1/2022 on Tuesday July 26, 2022 appointed Mr. Swin Chatsuwana to be independent director and member of the Audit Committee.

Mr. Yanyong Maethapanich is an Audit Committee Director with enough accounting and financial knowledge and experience for calibrating reliability of the Company's financial statement, whereas Miss Nithinart Juntasurat, Accounting Director, is the Secretary to the Audit Committee.

Duties and Responsibilities of the Audit Committee

The Board of Directors has specified the scope of duties and responsibilities of the Audit Committee in accordance with the SET's announcement on Qualifications and Scope of the Audit Committee B.E., dated June 9, 2008 as follows:

1. To review the financial statement of the Company with accuracy and completeness;
2. To review the appropriate and effective internal control, internal audit and risk management of the Company;
3. To review the Company's operation in accordance with the Securities and Exchange Laws, the SET Regulations and the laws related with the business of the Company;
4. To review internal auditor's independent, and approve the appointment and termination of the head of the internal audit function. Outstanding of the internal audit function has to be reviewed for the independence and approved by the audit committee;
5. Considering approval of the internal audit plan, budget and personnel of the Internal Audit Office;
6. Considering selection and nomination of independent candidates to work as the auditors of the Company, proposing remunerations for the auditors, dismissing the auditors, and attending auditors' meetings without any participants from the Management at least once a year;
7. Considering related transactions or transactions with possible conflicts of interest in accordance with the SET's laws and regulations in order to ensure reasonableness of the transactions and the ultimate interests for the Company;

8. Calibrating accuracy of the references and self- assessment reports on the Company's Anti-corruption Measures in accordance with the Thai Private Sector Collective Action Against Corruption's Project;
9. Giving opinions on sufficiency in the Risk Management and Internal Control System to be disclosed in the 56-1 One Report Form;
10. Preparing the results of the Audit Committee's operation to be disclosed in the Company's 56-1 One Report Form signed by the Chairman of the Audit Committee, which covers the following:
 - 10.1 Supervising the internal auditors' operation, including calibrating adequacy and appropriateness of the Company's internal control system;
 - 10.2 supervising and preparing the Company's financial report, including inquiring the business executives about using discretion for preparing financial reports;
 - 10.3 Communicating about important matters with the Audit Committee and the auditors;
 - 10.4 disclosing the Audit Committee's opinions about reasons used for considering that providing other services than auditing does not affect the auditor's independence in auditing the financial statement of the business;
 - 10.5 performing duties within the scope of the Audit Committee, such as calibrating the Company's operations in compliance with related laws, considering transactions with possible conflicts of interest and relevant transactions;
 - 10.6 operating other tasks as required by laws or assigned by the Board of Directors

The Company assigns the Internal Audit Office to monitor and calibrate operations in accordance with the work system or the specified internal control standard, collaborates with the Audit Committee, and encourages and helps the Committee to supervise Good Corporate Governance.

2. Nomination and Remuneration Committee

The Board of Directors has appointed the Nomination and Remuneration Committee, which holds a three years' term of office. Any retired Director may be elected to hold another position.

On December 31, 2023, the Nomination and Remuneration Committee consists of 3 Directors: 1 Independent Directors and 1 Director who are the Executives and 1 Director who is not the Executive as follows:

No.	Name-Surname	Position
1	Mr. Yanyong Maethapanich	Chairman of the Nomination and Remuneration Committee / Independent Director
2	Mr. Philipp Hugo Gutsche	Member of the Nomination and Remuneration Committee / Non-Executive Director
3	Mrs. Pariya Chirabhandhu	Member of the Nomination and Remuneration Committee / Executive Director

Mr. Yanyong Maethapanich is independent director, and Ms. Plernpun Rutchakitprakarn, Executive Assistant to the CEO, is the Secretary to the Nomination and Remuneration Committee.

In 2023, the Nomination and Remuneration Committee had 2 meeting and all committee attended all the meetings. Charter of the Nomination and Remuneration Committee is in attachment 7.

Duties and Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall perform duties as assigned by the Board of Directors, with responsibility, caution and honesty, as follows:

1. Reviewing and recommending on the organization structure and the component of the Board of Directors and sub-committees for the diversities such as professional skills, specializations, genders and ages. The Committee reviewed criteria and selection procedure for qualified person for director position and propose to the Board of Directors to propose for director appointment at the Shareholders' Meeting.
2. Reviewing and selecting the qualified person to be proposed as a member of the Company's Board of Directors and sub-committees
3. Considering and if appropriate support minor shareholders' nomination of qualified directors
4. Providing induction and ongoing training and development to all directors
5. Proposing guidelines and recommended methods for remuneration and performance evaluation consideration for the Board of Directors, sub-committees and senior management, in order to adequately attract and retain competent persons for the Company who will be motivated and will add value to the Company.
6. The Committee may appoint independent consultants to advise and recommend salary packages that will enable the Company to be a leading Company in Thailand. Further the scope of the Committee can include basic incentive schemes, pension/provident and medical schemes.
7. Recommending a succession plan for senior management and review the list of qualified and suitable person as necessary
8. Considering specification of forms and criteria of the Key Performance Indicators (KPIs) used for considering adjustment of the Employees' salaries and bonuses and proposing ideas to the Board of Directors for approval
9. Preparing annual operation reports of the Nomination and Remuneration Committee, proposing them to the Board of Directors and disclosing them in the 56-1 One Report Form to be signed by the Chairman of the Nomination and Remuneration Committee, including specifying frequencies of the Meetings and the attendances of each member of the Nomination and Remuneration Committee
10. performing other tasks related to responsibilities as required by the Board of Directors

3. Corporate Governance and Risk Management Committee

The Corporate Governance and Risk Management Committee consists of 3 directors: 1 director who is an independent director and 2 directors who are the executive directors, each of whom holds a 3 years' terms of office as follows:

No.	Name- Surname	Position
1	Maj. Gen. Patchara Rattakul	Chairman of the Corporate Governance and Risk Management Committee / Executive Director
2	Mr. Yanyong Maethapanich	Member of the Corporate Governance and Risk Management Committee / Independent Director
3	Mr. Dumrongrugs Apibalsawadi	Member of the Corporate Governance and Risk Management Committee / Executive Director

Miss Rattanawadee Kiatsimkul, Corporate Governance Director, works as the secretary to the Committee.

In 2023, the Corporate Governance and Risk Management Committee had 2 meeting and all committee attended all the meetings. Charter of the Corporate Governance and Risk Management Committee is in attachment 7.

Duties and Responsibilities of the Corporate Governance and Risk Management Committee

1. Review and screen risk management and corporate governance policies, as well as other relevant policies, to provide guidance for the organization to comply with the Company's and international standards, and the stock exchange of Thailand's standard.
2. Evaluate long-term and annual operating plans related to risk management and corporate governance, ensuring a continuous and systematic approach.
3. Supervise, monitor, and evaluate the performance of risk management and corporate governance, reporting the results to the Company's Board of Directors.
4. Foster an atmosphere that emphasizes the importance of integrating risk management and corporate governance, encouraging all employees to work effectively.
5. Support and promote the dissemination of good corporate governance culture, recommending ethical practices to prevent and resist corporate corruption, and informing directors, executives, and employees about potential risks.
6. Perform other duties assigned by the Company's Board of Directors.

4. Sustainability Committee

The Sustainability Committee consists of 4 Executives and 2 Executive Director as follows:

No.	Name- Surname	Position
1	Maj. Gen. Patchara Rattakul	Chairman of the Sustainability Committee / Executive Director
2	Mr. Dumrongrugs Apibalsawasdi	Member of the Sustainability Committee / Executive Director
3	Mr. Jose Henrique Zeitune	Member of the Sustainability Committee / Executive
4	Mr. Riccardo Vrodom Sucharitkul	Member of the Sustainability Committee / Executive
5	Miss Rattanawadee Kiatsimkul	Member of the Sustainability Committee / Executive
6	Mr. Siam Suwannarat	Member of the Sustainability Committee / Executive

Maj. Gen. Patchara Rattakul and Mr. Dumrongrugs Apibalsawasdi are Executive Directors, whereas Miss Chanita Thaotawil, Assistant to Vice President - Corporate Strategy, works as the secretary to the committee.

In 2023, the Sustainability Committee had 1 meeting and all committee attended all the meetings. Charter of the Sustainability Committee is in attachment 7.

Duties and Responsibilities of the Sustainability Committee

1. Set, review and improve the organization's sustainability development policy. as well as various policies and practices in line with business changes, regulations, announcements and related laws. To meet international standards.
2. Set and review the organization's sustainability strategy, including presenting various relevant recommendations to the Board of Directors.
3. Promote and campaign for cooperation in developing the sustainability of the organization.
4. Follow up and inspect operations to be in accordance with the plan. and evaluate the progress of the organization's sustainability operations. It covers important matters as follows:
 - 4.1 Impact of climate change and carbon footprint management.
 - 4.2 Sustainable use of plastics and packaging.
 - 4.3 Management to return water back to nature (Water replenishment and management).
 - 4.4 Responsible and sustainable procurement process.
 - 4.5 Fair treatment and participation of stakeholders with emphasis on diversity, equality, including comprehensive human rights management (Human Rights Due Diligence Process).
 - 4.6 Participation in social and community activities.
 - 4.7 Evaluate the company's strategy against the principles of sustainable development.
5. Report performance results to the Board of Directors regularly.
6. Review, amend the Corporate Sustainability Committee Charter and present to the Board of Directors for approval.
7. Have authority to invite management or employees of related companies to attend meetings, give opinions or submit documents as deemed relevant or necessary, or appoint working groups to support efficient sustainability work.
8. Perform any other work as assigned by the Board of Directors.

7.4 Management Team

As at 31st December 2023, the Company's Management Team comprised of the following:

- | | |
|------------------------------------|--|
| 1. Maj. Gen. Patchara Rattakul | Chief Executive Officer |
| 2. Mr. Jose Henrique Zeitune | Chief Operating Officer |
| 3. Mr. Amrit Kumar Shrestha | Chief Financial Officer |
| 4. Mrs. Pariya Chirabandhu | Senior Vice President |
| 5. Mr. John Joseph Benedetti | Senior Vice President - Supply Chain & Demand Fulfillment |
| 6. Mr. Dumrongrugs Apibalsawasdi | Senior Vice president - Corporate Affairs |
| 7. Mr. Timothy Edward Doyle | Senior President - Customer Service Systems & Indirect Channel (Makro & Wholesale Key Account) |
| 8. Mr. Voranin Asadamongkol | Senior Vice President - TT- DSD ,Wholesales TT ,HORECA,Sales Operation and Sales Support |
| 9. Mr. Riccardo Vrodom Sucharitkul | Vice President - Corporate Strategy |
| 10. Mr. Seksan Phetsut | Vice President - Operation |
| 11. Mr. Puttaporn Rajpricha | Vice President - Human Resources |
| 12. Ms. Sarunluck Thepwarin | Vice President - Modern Trade |
| 13. Mr. Thongchai Unchurit | Vice President - General Administration & Government Relations |
| 14. Mr. Thakerng Kanchana | Vice President - CDE & Construction |
| 15. Mrs. Arisa Pukdeemakanon | Vice President - Commercial Operations |
| 16. Mr. Taweedet Janmeeon | Assistant Vice President - TT/DSD, Wholesale, Sales Operation and TT/DSD |
| 17. Mr. Thaksapol Rodpol | Managing Director of HaadThip Logistics |

Scope of the CEO's Authority

The CEO, the top executive position of the Company, has been appointed by the Board of Directors, responsible for managing the Company's business so that it will achieve the goals and objectives of the Company, as specified by the Board of Directors and supervising the business operation in order to create the ultimate benefits for all groups of stakeholders fairly and appropriately, including taking care of disclosing the Company's general and financial information, in accordance with the good practical guideline, including authority to approve of any action, which is the Company's normal business operation, as follows.

1. Specifying the Company's visions, missions, organization values, objectives, business plans, business operation strategies, financial plans, investment management, human resource management, and annual budgets;
2. Monitoring and assessing the Company's performance regularly, in order to prevent risks arising from internal and external factors, which will prevent the Company's operation from achieving specified goals;
3. Having authority to nominate operating teams, for benefits of and efficiency in good and transparent management;
4. Having authority to issue rules, orders, regulations and announcements, in order to comply with the Company's policies and ultimate benefits and maintain internal corporate disciplines and operation efficiently;
5. Having authority, as specified in the operation regulations, and approval authority, as approved by the Board of Directors' Meeting;
6. Supervising business in accordance with the Company's rules, regulations and requirements, and the Securities and Exchange Law, regulations and practical guidelines of the Securities and Exchange Commission, the Stock Exchange of Thailand and laws related to the Company's business

Remuneration for the Executives

Remunerations for the Executives shall comply with the policies and criteria, as specified by the Company, which are linked to the performance and specified key performing indicators (KPIs). Remunerations for the Executives will be given at the level attractive enough to maintain quality executives as required by the Company, compared with businesses in the same industry. Remunerations for the Executives in the form of cash will be terminated on December 31, 2023, as follows:

1. Monetary Compensation

Remuneration	Number of Persons	Amount of Money (Baht)
Salary Bonus and other long term benefits	17	215,969,385
Others: provident fund	17	4,027,835
Total	17	219,997,220

2. Non-Monetary compensation

- ▶ Office car
- ▶ Employee Stock Option Program: HTC ESOP Project
- ▶ Accident insurance (group)

7.5 Personnel

As of December 31, 2023, the Company and its subsidiaries have 2,452 personnel in total as follows:

Personnel	Number of Employees	
	HaadThip Public Company Limited	Subsidiaries
Operation Worker Level	1,727	26
First-Line Manager Level	346	8
Middle Manager Level	283	12
Top Manager Level	48	2
Total	2,404	48

Number of Employees Classified by Types of Employment	HaadThip Public Company Limited		Subsidiaries	
	Male	Female	Male	Female
Full-time employees	1,782	616	31	17
Contract employees	5	1	0	0
Total	1,787	617	31	17

In 2023, the Company has 24 disabled employees, which is 0.99% of the total employees.

Total remunerations for the Company's employees

The total remunerations for the Company's employees consist of the salaries, over-time pays, commission for salespersons, contribution to social security fund, bonuses and contribution to provident fund.

	2023	2022	2021
Total remunerations for the Company's employees (Baht Million)	952.26	981.51	1,024.06

The Company set up key performing indicators (KPIs) of employees' performance and assessed the results annually. The criteria for remuneration and salary increase was communicated with employees in advance and relevant with results.

Provident Fund (PVD)

	2023	2022	2021
Number of employees joining PVD	2,214	1,964	1,999

The Company has never had any labor-related dispute during the past 3 years, due to its consistent good relation with the Employees. The turnover rate in 2023 was 9.10%, accounting for 219 employees (37 female employees and 182 male employees), and the employees of the Company have not established any labor union.

7.6 Other Important Information

Company secretary

The Board of Directors 2/2022, held on March 15, 2022, resolved to nominate Miss Marisa Sangvoranit to be the Company Secretary (profile as in attachment 1), who is required to fulfil responsibilities, as specified in Article 89/15 of the Securities and Exchange Act (No. 4) B.E. 2551 and comply with laws and the Company's regulations, resolution of the Board of Directors and the Shareholders' Meeting as follows:

1. Preparing and storing the following documents
 - a. Directors registration
 - b. Schedules and minutes of the Board of Directors meetings and annual reports of the Company
 - c. Invitation letters of Shareholders' meetings and minutes of Shareholders' Meetings
2. Storing stake-holding reports presented by Directors or Executives, dispatching copies of stake-holding reports, as specified in Article 89/14, and notifying the Chairman and the Inspection Committee within 7 working days, starting from the day when the Company received the reports
3. Doing other tasks, as specified by the Securities and Exchange Commission

Moreover, the Company's Secretary is required to perform other tasks, as assigned by the Company, as follows:

1. Giving advice about related rules and practical guidelines regarding governance that the Board of Directors should know and abide by;
2. Organizing Board of Directors' Meetings and Shareholders' Meetings;
3. Contacting and coordinating with the internal units of the Company so that they will comply with resolutions of the Board of Directors' Meetings;
4. Coordinating with the Governance Units, such as the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and taking care of disclosing correct and complete information and information reports to the governance units and the public, as specified by laws; and
5. Performing other tasks as assigned

Accounting Supervisor:

Miss Nithinart Juntasurat

Head of the Internal Audit Office:

Mrs. Arunee Pradupetch

Head of Investors Relations:

Mrs. Anyanee Kerrick

Contact Information for Investor Relations

Address: HaadThip Public Company Limited, Bangkok Branch, 36/6 Soi Ramkhamhaeng 21 (Navasri), Yaek 5 Phlabphla, Wang Thonglang, Bangkok. Telephone: (02) 391-4488 Ext. 8248. Email: ir@haadthip.com

Auditors and Audit Fees

The Audit Committee of the Company is responsible for selecting auditors for the Company and proposing the candidates to the Shareholders' Meetings for nomination, including reviewing the auditors' qualifications, performances and remunerations. In 2023, the Audit Committee nominated Miss Krittika Kongkerd, CPA, license No. 10634, Mr. Thanit Osthalert, CPA, license No. 5155, and Miss Marisa Tharatornbanpakul, CPA, license No. 5752 from KPMG Phoomchai Audit Co., Ltd. as the Auditors of the Company for the fiscal year ending on December 31, 2023 to the 2023 Annual General Meeting of Shareholders for approval, which later approved of the proposal. The audit fees of the Company and its subsidiaries for the fiscal year were terminated on December 31, 2023. The details are as follows:

1. HaadThip Public Company Limited

- Audit fees Baht 1,775,000
- Non-audit fees -None-

2. The subsidiaries

- Audits fees Baht 1,685,000
- Non-audit fees - BOI certification fee and certification fee for auditing under agreement Baht 140,000

8 Reports on the Results of Major Corporate Governance Performance

8.1 Summary of Last Year's Performance of the Board of Directors

8.1.1 Nomination, Development and Assessment of the Board of Directors' Performance Nomination of Directors and Senior Management

The Company's directors are knowledgeable and experienced in the industry that the Company is operating. The Company's directors are capable of working effectively, offering viewpoints and visions useful for business operation including risks, related to the Company's business. Moreover, all the Directors of the Company are qualified persons without any incompatibilities, as specified by the Public Company law and the Securities and Exchange Law. Each of the Independent director full qualifications, as specified in the SEC's announcement at Tor Jor 4/2009 Re: Asking for and Giving Permission to Offer for Sale of Newly Issued Shares (No. 2) (announced at Tor Jor 4/2009).

Directors

The election of the Board of Directors shall abide by the Company's regulations and related laws. The Shareholders' Meetings shall consider election of Directors, according to the following criteria and methods.

1. Each shareholder has a voting right equivalent to one share to one vote;
2. For a Director election, the shareholders can cast their votes to elect one Director, or a group of Directors at a time, or by any other methods as deemed appropriate by the Shareholders' Meeting. During the voting procedure, however, the shareholders can only exercise their voting right as per condition (1) above, and cannot allocate any portions, less or more, of their voting rights to any one Director or group of Directors;
3. The appointment of Directors shall be decided by majority votes. If the votes are tied, Chairman of the Meeting shall cast the vote to determine the final outcome.

At the vote to determine the final outcome one third of the Directors shall be retired. If the number of Directors cannot be divided evenly by one third, the number of retiring Directors shall be as close to one third as possible. The names shall be drawn and announced, for Directors to retire in the first and second year following registration. But for the following years, the method employed will be to retire the Director with longest tenure. In the case that the number of Directors with longest tenure exceed that of the number of Directors to retire at that time, the names of Directors to retire at that time shall be drawn.

The nomination and remuneration committee considered directors retiring from office by rotation to be reelect and propose to the board of director for consideration. The board of directors will consider to propose directors retiring from office by rotation to be reelect and propose to shareholders' meeting.

The Directors whose tenure has expired may be re - elected. On the 2023 Shareholders' Meeting day on April 21, 2023, there were 5 retired Directors as follows:

- | | |
|--------------------------------|---|
| 1. Maj. Gen. Patchara Rattakul | Authorized Director / Chairman of Sustainability Committee / Chairman of Corporate Governance and Risk Management Committee |
| 2. Mr. Philipp Hugo Gutsche | Director / Member of Nomination and Remuneration Committee |
| 3. Mrs. Pariya Chirabandhu | Authorized Director / Member of Nomination and Remuneration Committee |
| 4. M.L. Dhisana Sritavaj | Director |
| 5. Pol. Gen. Jaruvat Vaisaya | Director |

The Company had welcomed an opportunity to its shareholders to propose a list of qualified candidate(s) for directorship during November 2 to December 31, 2022. However, there was no any proposals of agenda nor list of candidates for considerations.

In this regard, the Nomination and Remuneration Committee (excluding stake-holding Directors) has screened carefully and agreed that all the 5 retired directors are knowledgeable, competent, qualified and have performed their duties effectively, provided useful opinions and advices to the Board and the company throughout. As a result, the Nomination and Remuneration Committee would like the Board of Directors to propose to the Annual General Shareholders' Meeting for consideration and reelection of the 5 directors due to retire by rotation to hold the director position for one more term. The 2023 Annual General Shareholders' Meeting approved accordingly.

New Directors

The nomination and remuneration committee select qualified person to be the Company's directors without any incompatibilities, as specified by the Public Company law and the Securities and Exchange Law. Each of the Independent director full qualifications, as specified in the SEC's announcement at Tor Jor 4/2009 Re: Asking for and Giving Permission to Offer for Sale of Newly Issued Shares (No. 2) (announced at Tor Jor 4/2009). The nomination and remuneration committee are to propose new qualified directors to the board of directors for consideration. If the new director is not to replace resigned directors, the board of directors is to consider to propose to shareholders' meeting for election. There is a orientation plan for new directors, taken place within 3 months after entering the position to communicate the working procedure of the Company.

The Company conducted skill matrix for directors to ensure that the Board of Directors has adequate skills, strengthening the competitive capabilities in Market and also uses the matrix for director recruitment.

Independent Directors

Independent directors must have qualification according to The Notification of the Capital Market Supervisory Board No. TorJor. 39/2016 and not hold share worth more than 0.5 percent of paid-up capital of the Company, including with share which held by any person who has related to independent director.

Senior Management

The Committee is responsible for supporting the Board of Directors in consideration of recruitment, selection and review of compensation of senior management. The selection consideration includes factors such as knowledges, abilities and experience related to the Company's business.

Training and Development

Institute of Directors (IOD) or other organizations, as appropriate, by assigning the Company's Secretary to coordinate and continually inform the Directors of training courses for improving Directors' potential and increasing efficiency in working as Directors.

In 2023, the Directors participating in training, development and review of knowledge useful for working as Directors were as follows:

1. Mrs. Kerry-Ann Shipp Director Accreditation Program (DAP) 203/2023
2. Mr.Swin Chatsuwana Director Accreditation Program (DAP) 203/2023
3. Mr. Ponsakorn Theingtham Risk Management Program for Corporate Leaders (RCL) 32/2023

Assessment of the Board of Directors' Operation

The Company has specified that the Board of Directors' self-assessment be conducted once a year. First of all, the Company's secretary shall present the assessment forms of the Board of Directors and those of the sub-committees, appropriate for current situations and compliant with the Board of Directors' roles and duties. The Board of Directors' self-assessment forms prepared by the Stock Exchange of Thailand have been approved for use by the Board of Directors. After that, the Company shall distribute the forms to all the Directors for assessing performances each director, each team and the CEO. Next, the Company's secretary shall collect the completed forms, summarize the assessment results and opinions, and present them to the Board of Directors at the next meeting.

In 2023, the Company conducted an assessment of performances of each Director, of each board, of each sub-committee and of the CEO. The details are summarized as follows:

1. The objectives of assessing performances of each Director, each Board, each committee and the CEO, in accordance with the Corporate Governance Principle for listed companies. The Company conducted an annual self-assessment of performances of the Board of Directors and the sub-committees and jointly considered the performances, including improving and correcting operations and responsibilities of the Board of Directors in order to create benefits to the Company with the highest efficiency and effectiveness.
2. Criteria and Assessment
 1. The Board of Directors approves and reviews the self-assessment forms of the Board of Directors and the sub-committees at least once a year;
 2. The Board of Directors assigns the Company's Secretary to dispatch the Board of Directors the annual self- assessment forms within early December;
 3. All the Directors complete the self-assessment forms and return them the Company's Secretary within the specified time;
 4. The Company's Secretary collects, assesses and summarizes results of the assessment, including reporting the results to the Board of Directors;
 5. The Board of Directors uses the results, discusses them and gives additional opinions in order to make a plan for improving the Board of Directors' efficiency in performing duties by assigning the Company's Secretary to manage the plan, as specified by the Board of Directors;
 6. The sub- committees' self-assessment forms shall be completed in the same manner as those for the Board of Directors;
 7. The scoring method of the assessment is as follows:

Summary of the results of the Board's self-assessment for the year 2023

Results of Assessment	Average Score (%)	Levels of Operation
0	less than 30%	strongly disagree or do no actions in that matter
1	between 31% and 50%	disagree or do a few actions in that matter
2	between 51% and 70%	agree or do some actions in that matters
3	between 71% and 90%	really agree or do a lot of good actions in that matter
4	more than 91%	strongly agree or do a lot of very good actions in that matter

The Board of Directors and the sub-committees shall disclose the criteria, process, assessment results and improvement plans in the annual report every year.

The assessment forms are categorized into 2 types:

Type 1 is the Board's self-assessment form, which includes the following assessment topics:

1. Structure and qualifications of the Board of Directors
2. Roles, duties and responsibilities of the Board of Directors
3. Board of Directors' meetings
4. Performing the Board of Directors' duties
5. Relation with the Management
6. Development of the Directors

The scores of the Boards' self-assessment results are as follows:

Topics of Assessment	Average Score (%)	ULevels of Agreement
1. Structure and qualifications of the Board of Directors	90.38	quit strongly agree
2. Roles, duties and responsibilities of the Board of Directors	88.16	quit strongly agree
3. Board of Directors' meetings	91.88	strongly agree
4. Performing the Board of Directors' duties	93.46	strongly agree
5. Relation with the Management	94.87	strongly agree
6. Development of the Directors	92.95	strongly agree
Average Score	91.95	strongly agree

Type 2 is the sub- committees' self-assessment form, which includes the following assessment topics:

1. The structure and qualifications of the Board of Directors.
2. Directors' Meetings.
3. The roles, duties and responsibilities of the Board of Director.
4. Report of Directors
 - Total of 4 forms
 - Audit Committee
 - Nomination Committee and Remuneration Committee
 - Corporate Governance and Risk Management Committee
 - Sustainability Committee

The scores of the subcommittees' self-assessment results classified are as follows:

1. The Audit Committee:

Topics of Assessment	Average Score (%)	Levels of Agreement
1. The structure and qualifications of the Audit Committee	95.00	strongly agree
2. The Audit Committee meetings	99.31	strongly agree
3. The roles, duties and responsibilities of the Audit Committee	93.06	strongly agree
4. Report of the Audit Committee	100.00	strongly agree
Average Score	96.84	strongly agree

2. The Nomination and Remuneration Committee:

Topics of Assessment	Average Score (%)	Levels of Agreement
1. The structure and qualifications of the Nomination and Remuneration Committee	91.67	strongly agree
2. The Nomination and Remuneration Committee meetings	92.36	quite strongly agree
3. The roles, duties and responsibilities of the Nomination and Remuneration Committee	82.64	quit strongly agree
4. Report of the Nomination and Remuneration Committee	79.17	quit strongly agree
Average Score	86.46	quit strongly agree

3. The Corporate Governance and Risk Management Committee:

Topics of Assessment	Average Score (%)	Levels of Agreement
1. The structure and qualifications of the Corporate Governance and Risk Management Committee	87.96	quit strongly agree
2. The Corporate Governance and Risk Management Committee meetings	94.44	strongly agree
3. The roles, duties and responsibilities of the Corporate Governance and Risk Management Committee	88.33	quit strongly agree
4. Report of the Corporate Governance and Risk Management Committee	100.00	strongly agree
Average Score	92.68	strongly agree

4. The Sustainability Committee:

Topics of Assessment	Average Score (%)	Levels of Agreement
1. The structure and qualifications of the Sustainability Committee	78.82	quit strongly agree
2. The Sustainability Committee meetings	85.42	quit strongly agree
3. The roles, duties and responsibilities of the Sustainability Committee	83.33	quit strongly agree
4. Report of the Sustainability Committee	89.58	quit strongly agree
Average Score	84.29	quit strongly agree

The self-assessment forms are used for each Director (for the Board of Directors and the sub-committees), which include the following:

1. Personal qualification of Directors
2. Readiness for Duties
3. Participation's in meeting
4. Roles, Responsibilities and Duties
5. The Board of Directors and Top Management Team relationship

The scores of the Directors' self-assessment results are as follows:

Topics of Assessment	Average Score (%)	Levels of Agreement
1. Personal Qualifications of the director	88.85	quit strongly agree
2. Readiness for Duties	94.23	strongly agree
3. Participation in meetings	94.23	strongly agree
4. Roles, Responsibilities, and Duties	70.12	quit strongly agree
5. The Board of Directors and Top Management Team Relationship	94.23	strongly agree
Average Score	88.33	quit strongly agree

The scores of the CEO's self-assessment results are as follows:

Topics of Assessment	Average Score (%)	Levels of Agreement
1. Leadership	100.00	Excellent
2. Strategy formulation	100.00	Excellent
3. Strategic operation	100.00	Excellent
4. Financial and planning and performance	100.00	Excellent
5. Relation with the Board of Directors	100.00	Excellent
6. Relation with outsiders	100.00	Excellent
7. Administration and relation with the Company's personnel	100.00	Excellent
8. Succession	100.00	Excellent
9. Knowledge of products and services	100.00	Excellent
10. Personal attributes	100.00	Excellent
Average Score	100.00	Excellent

8.1.2 Meeting Attendances and Meeting Allowance for the Directors

The details of the Directors' meeting attendances in 2023 are as follows:

Name/Surname	Number of Attendances						
	Board of Directors' Meetings and Committee Meeting					Shareholders' Meeting	
	Board of Directors' Meeting	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Sustainability Committee ¹	AGM ²	EGM ³
1. Gen. Charan Kullavanijaya	6/6	-	-	-	-	1/1	1/1
2. Maj. Gen. Patchara Rattakul	6/6	-	-	2/2	1/1	1/1	1/1
3. Mr. Prakit Pradipasen	6/6	5/5	-	-	-	1/1	1/1
4. Mr. Philipp Hugo Gutsche	4/6	-	2/2	-	-	0/1	0/1
5. Mr. Johan Willem Maarten Jansen	6/6	-	-	-	-	0/1	0/1
6. Mrs. Pariya Chirabandhu	6/6	-	2/2	-	-	1/1	1/1
7. Mr. Yanyong Maethapanich	6/6	5/5	2/2	2/2	-	1/1	1/1
8. M.L. Dhisana Sritavaj	5/6	-	-	-	-	0/1	0/1
9. Mr. Dumrongrugs Apibalsawasdi	6/6	-	-	2/2	1/1	1/1	0/1
10. Mrs. Kerry-Ann Shipp	5/6	-	-	-	-	1/1	0/1
11. Mr. Pongsakorn Theingtham	6/6	-	-	-	-	1/1	1/1
12. Pol. Gen. Jaruvat Vaisaya	5/6	-	-	-	-	0/1	0/1
13. Mr. Swin Chatsuan	6/6	2/5	-	-	-	0/1	1/1
14. Mr. Pakorn Sukhum	5/6	-	-	-	-	1/1	1/1

¹The Sustainability Committee consist of 5 Committee members: 2 Members who is the Executive Directors and 3 Members who are Top Executives

²The Annual General Meeting of Shareholders was held on April 21, 2023.

³The Extraordinary General Meeting of Shareholders was held on August 23, 2023.

Director Remuneration

The Company's Board of Directors has assigned duty to the Nomination and Remuneration Committee to consider meeting the remuneration for the Directors and propose its opinion to the Board of Directors for consideration the remuneration in accordance with the company's operating results as well as their duties and responsibilities. The remuneration will be given at the appropriate level, comparable to those paid at the other companies in the same industry and attractive to motivate and maintain quality Directors, before proposing to the Shareholders' Meeting for approval.

The 2023 Annual General Meeting of Shareholders on April 21, 2023, resolved to approve the remuneration for the Board of Directors and sub-committees as follows:

1. Cash remunerations

1.1 Remunerations for the Board of Directors and the sub-committees

Board/Committees	Position	2023		2022	
		Remuneration (Baht/Person/year)	Meeting allowance (baht/person/meeting)	Remuneration (Baht/Person/year)	Meeting allowance (baht/person/meeting)
Board of Directors	Chairman	266,000	21,000	253,000	20,000
	Director	191,000	21,000	181,500	20,000
Audit Committee	Chairman	266,000	5,200	253,000	5,000
	Director	191,000	5,200	181,500	5,000
Nomination and Remuneration Committee	Chairman	42,000	5,200	40,000	5,000
	Director	21,000	5,200	20,000	5,000
Corporate Governance and Risk Management Committee	Chairman	42,000	5,200	40,000	5,000
	Director	21,000	5,200	20,000	5,000
Sustainability Committee	Chairman	42,000	5,200	40,000	5,000
	Director	21,000	5,200	20,000	5,000

The details of remunerations to be received by each Director in 2023 are as follows:

	Name-Surname Position	Remuneration (Baht)					Meeting Allowance (Baht)					Special Bonus	Total Remuneration
		Board of Director	Audit Committee	Nomination and Remuneration	Corporate Governance and Risk Management Committee	Sustainability Committee	Board of Director	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Sustainability Committee		
1.	Gen. Charan Kullavanijaya Independent Director/ Chairman	266,000	-	-	-	-	126,000	-	-	-	-	-	392,000
2.	Maj. Gen. Patchara Rattakul Director / Chairman of the Corporate Governance and Risk Management Committee / chairman of the Sustainability Committee / Chief Executive Officer	191,000	-	-	42,000	42,000	126,000	-	-	10,400	5,200	-	416,600
3.	Mr. Prakit Pradipasen Independent Director/ Chairman of the Audit Committee	191,000	266,000	-	-	-	126,000	26,000	-	-	-	-	609,000
4.	Mr. Philipp Hugo Gutsche Director / Member of the Nomination and Remuneration Committee	191,000	-	21,000	-	-	84,000	-	10,400	-	-	-	306,400
5.	Mr. Johan Wilem Maarten Jansen Independent Director	191,000	-	-	-	-	126,000	-	-	-	-	-	317,000

	Name-Surname Position	Remuneration (Baht)					Meeting Allowance (Baht)					Special Bonus	Total Remuneration
		Board of Director	Audit Committee	Nomination and Remuneration	Corporate Governance and Risk Management Committee	Sustainability Committee	Board of Director	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Sustainability Committee		
6	Mrs. Pariya Chirabandhu Director / Member of the Nomination and Remuneration Committee	191,000	-	21,000	-	-	126,000	-	10,400	-	-	-	348,400
7	Mr. Yanyong Maethapanich Independent Director / Chairman of the Nomination and Remuneration Committee / Member of Audit Committee / Member of the Corporate Governance and Risk Management Committee	191,000	191,000	42,000	21,000	-	126,000	26,000	10,400	10,400	-	-	617,800
8	M.L. Dhisana Sritavaj Director	191,000	-	-	-	-	105,000	-	-	-	-	-	296,000
9	Mr. Dumrongrugs Apibalsawasdi Director / Member of the Corporate Governance and Risk Management Committee / Member of the Sustainability Committee	191,000	-	-	21,000	21,000	126,000	-	-	10,400	5,200	-	374,600
10	Mrs. Kerry-Ann Shipp Director	191,000	-	-	-	-	105,000	-	-	-	-	-	296,000
11	Mr. Pongsakorn Theingtham Director	191,000	-	-	-	-	126,000	-	-	-	-	-	317,000
12	Pol. Gen. Jaruvat Vaisaya Director	191,000	-	-	-	-	105,000	-	-	-	-	-	296,000
13	Mr. Swin Chatsuwon Independent Director / Member of the Audit Committee	191,000	191,000	-	-	-	126,000	10,400	-	-	-	-	518,400
14	Mr. Pakorn Sukhum Director	191,000	-	-	-	-	105,000	-	-	-	-	-	296,000

2. Non-Cash remunerations

Directors' and Officers' Liability Insurance (D&O)

8.1.3 Corporate Governance of the Subsidiaries and the Associates

The Company has a policy of nominating delegates to hold office as Directors with authority to control the subsidiaries, follow and supervise the operation of the subsidiaries efficiently and effectively, in accordance with the strategies and policies of the Company. As for the associates, the Company shall supervise them in compliance with the mutually agreed strategies, as specified in the joint venture agreement.

8.1.4 Follow-ups in Compliance with Policies and Guidelines for Corporate Governance

Prevention of Conflicts of Interest

The Company has determination to operate business with honesty, moral, transparency and responsibility for its actions. Therefore, the Board of Directors has determined that any transactions done with major shareholders, directors, executives or persons related with them shall be considered by the Audit Committee, which takes care of each step of approving transactions and strictly complying with the rules and methods specified by the Stock exchange of Thailand (SET), the Securities and Exchange Commission, Thailand (SEC), and Thailand Capital Market Supervisory Board, including transparently disclosing details, values, partners and reasons of transactions to the public immediately via electronic media of the SET through the SET Community Portal: www.setportal.set.or.th, and in the 56-1 One Report Form.

As for the Board of Directors' Meetings and Shareholders' Meetings, if any Director holds stakes at the agenda being considered, he/she shall promptly disclose the details of his/her stake-holding to the Board of Directors and refrain from casting his/her vote for resolution at the agenda.

In 2023, the Company performed normal business and normal business supporting business with its subsidiaries under general trade conditions and in compliance with the Transaction Performing Principle, as specified in Article 89/12(1) of the Securities and Exchange Act (No. 4) B.E. 2008. Approved in principle by the Board of Directors in 2008.

Supervision of Internal Information Use

All of the Company's shareholders shall be equally and fairly treated in accordance with their existing fundamental rights. Therefore, the Board of Directors has specified the supervision policies, which helps prevent Directors of HaadThip Public Company Limited and its subsidiaries, Executive and Employee of HaadThip Public Company Limited and its subsidiaries who acknowledge insider information, Person who acts as representative or outside person who works with and acknowledges insider information of HaadThip Public Company Limited and its subsidiaries from exploiting and disseminating any of the Company's unpublished internal information to the public, either for their own or others' benefits as follows.

- 1) No indirect and direct disclosure to others in any means, with and without acknowledgement that others will use information to trade securities or future contract for themselves or others.
- 2) Company's insider information is kept with care and safety to protect the leakage of insider information to third parties.
- 3) No disclosure of insider information to anyone who is not related to operations for the protection of the use of insider information for anyone's benefit which might impact the prices and values of securities of the company or other listed companies that are related to such insider information or might result in investment decision.
- 4) No trading of securities related to insider information which he/she acknowledges, processes and connects, and take advantage of others who trade securities and do not acknowledge insider information.

The Company Securities Trading Blackout Periods

- 1) During each blackout period, Directors, Executive, Related Employees including their spouse, cohabiting couple and dependent under the age of 20 are prohibited from exploiting and disseminating any of the Company's unpublished internal information to the public, either for their own or others' benefits and the trading HaadThip Public Company Limited' Securities. The Period is 30 days before and 24 hours after the disclosure of disclosure of any quarter and annual financial statements.
- 2) The Board of Directors and Executives reports changes in own shareholdings to the Securities and Exchange Commission in compliance with the Article No. 59 of the Securities and Exchange Act B.E. 2535

In 2023, no violation of the policy and rules of internal information use was found.

Anti-corruption

The Company operates business with related persons transparently and honestly, abides by related laws and standards and encourages its partners to comply with the anti-corruption policies. In 2023, the Company filed the self-assessment form (New Version), consisting of 71 items, in order to re-certify membership of the Thai Private Sector Collective Action Against Corruption (CAC), a project organized by the Thai Institute of Directors and supported by the government and the Office of the National Counter Corruption Commission (NACC), since 2013. The Company has been given the second certification by the CAC, which is valid for 3 years which will end in 2024, this certification reveals transparency of the working principles and creates confidence for investors and the Stock Exchange. The Company has also made a work improvement plan by preparing the CAC-Change Agent Project in collaboration with groups of partners in order to create the anti-corruption network in 2023.



Moreover the company emphasized staff to work transparently and refrain from neglecting or ignoring anti-corruptive actions. The Company gives priority to communication so that all levels of the Employees will be aware of the Executives' intention, which includes the following:

- Preparing the Handbook of Business Code of Conduct, both in Thai and English, and submitting the Handbook to the Executives and Employees, including communicating in the form of e-document via Intranet;
- Using the Employees' Code of Conduct as the main topic of the orientation for new employees and providing refreshers courses to the Employees every quarter; and
- Organizing campaigns and activities to promote corporate moral and ethics for children of employees
- Organizing bidding to select the selling promotion's media production vendors
- Organizing bidding for scrap material
- Organizing bidding for vehicles
- "HTC Supplier Day 2023" activities
- The Company's anti-corruption activities
- Risk Assessment for Anti-Corruption

กิจกรรม "HTC Supplier Day 2023"



HaadThip's Anti-Corruption Promotion



Ethics Promotion for Youth



Anti-Corruption Risk Assessment Workshop

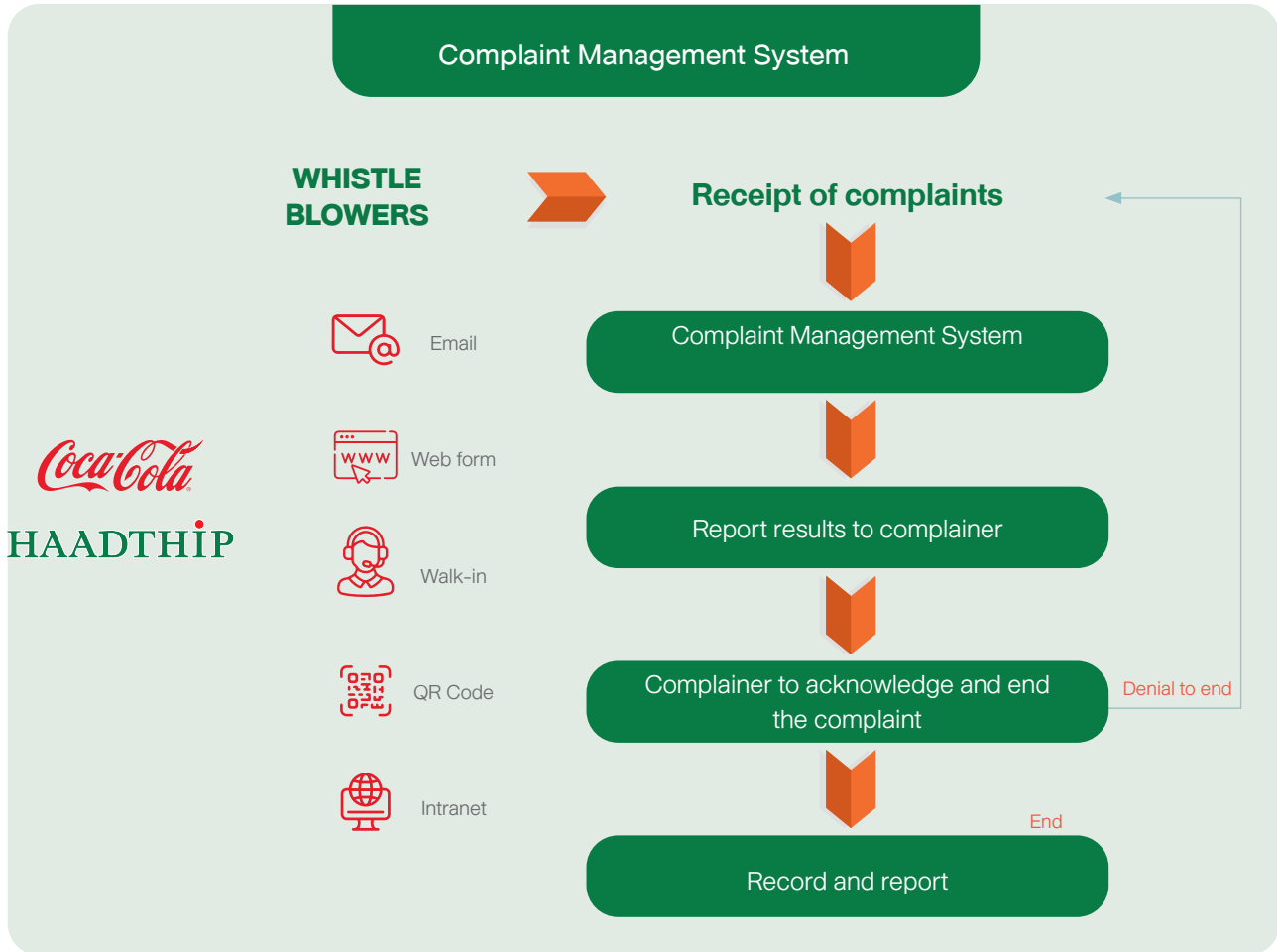


In 2023, the Company continued to maintain “The No Gift Policy” announcing at every festival in order to create good standards for the personnel, aiming to enable all levels of the personnel to operate with their full efforts, without expecting anything in return.

หาดทิพย์
หาดทิพย์และบริษัทในเครือ
ร่วมส่งเสริมนโยบายไม่รับของขวัญ
“NO GIFT POLICY”
เปลี่ยนจากของขวัญเป็น “คำขอบคุณ”
DO GOOD DO RIGHT FIGHT CORRUPTION

Filing Complaints/Whistleblowing

The Company provides channels for filing complaints, opinions or suggestions, which reveal possible effects or risks on the stakeholders, causing the stakeholders damage from the Company’s business operation, the Employees’ operations related to illegal acts or ethics, including dishonest behavior, unfair treatment or careless and incautious acts via the following channels and processes;



The Employees or Stakeholders shall report clues, complaints, opinions or suggestions via the specified channels so that the Company will examine and record facts in written forms without disclosing the whistleblowers’ details, including keeping the complaints secret, in order to protect possible effects. If facts are reported, the Investigation Committee will be established to summarize reports so that the Disciplinary Action Committee will judge the reports and identify disciplinary actions. Such operation is based on the Check and Balance Principle in order to create balance and fairness for all parties.

2023, the Company received 25 complaints through channels, and the Company corrected and improved all issues in complaints. The complainers were satisfied with problem solving.

Topics 1 Corruption complaint: No corruption complaint

Topics 2 Service improvement and working procedure

- I. Complaints from the Company’s Employees: 11 complaints, and all complaint issues were solved.
- II. Complaints from external parties: 14 complaints , and all complaint issues were solved.

In 2023, there was no corruption (fraud) and ethic wrongdoing (penalty).

Internal Control and Related Party Transactions

9.1 Internal Control

The Board of Directors has considered and reviewed the Internal Control and Risk Management System, realizing that the system is a mechanism that creates confidence in the Management to reduce business-related risks, enabling the business to be operated efficiently and effectively, as specified by the Board of Directors.

1. Internal Control

The Board of Directors has assigned the Audit Committee to supervise the Internal Control System, the Risk Management System and the Corporate Governance System of the Company so that the systems will be furnished with appropriateness, efficiency, inspection mechanisms and balance. The Internal Audit Office is responsible for auditing operation of all the Company's agencies, including giving counsels on formulation of the internal control system for the Company's work systems and assessing efficiency and adequacy of the internal control system, the risk management system and the corporate governance system of all the Company's agencies, by applying the framework of the internal control system, according to the international standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the framework of the Enterprise Risk Management and the supervision criteria of the SET and the IOD, so that the internal control, risk management and supervision will be more complete by directly reporting them to the Audit Committee. All the activities of the Internal Audit Office shall be given agreement and approval by the Audit Committee.

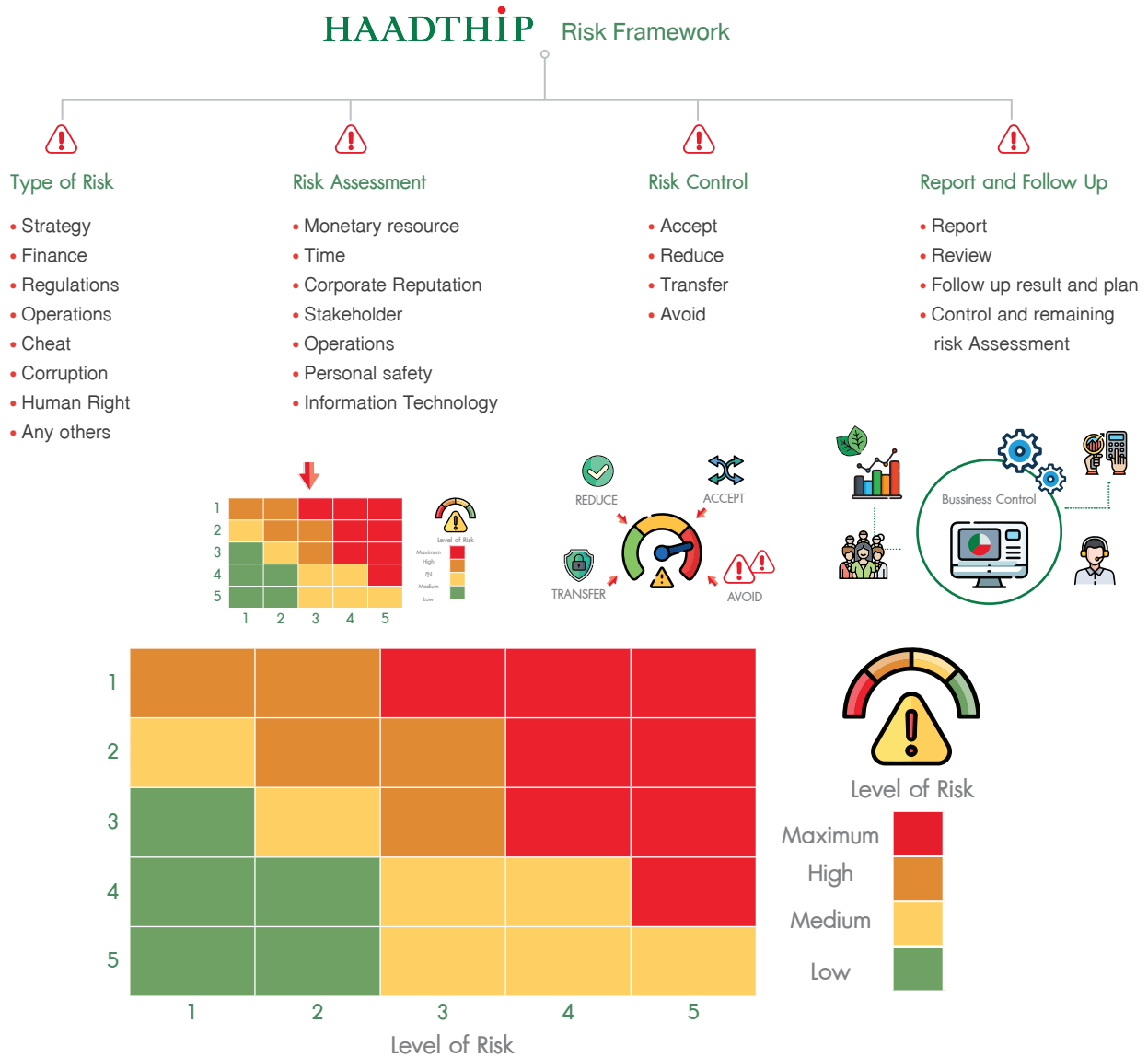
The Management has implemented other technological systems, namely CQR, POD, MOS-IR, RTM Mobile, ROAD net and VHM to help management the internal control more effectively and increase more system of the internal control.

2. Risk Management

The Board of Directors has appointed the Corporate Governance and Risk Management Committee, consisting of the top Executives from different departments, and Maj. Gen. Patchara Rattakul is the Chairman of the Committee.

The Corporate Governance and Risk Management Committee is responsible for supervising the Company's risk management in accordance with the goals at the level accepted by the organization and specifying the risk management policy, with which all the staff shall comply, by assessing and managing risks, caused by internal or external factors, which cover all sides of risks: strategies, operations, finance, compliance with rules and regulations, and corruptive risks, in order to seek for appropriate care measures. Moreover within the organization, there is a unit of Corporate Governance function, directly responsible for risk management.

The risk management shall be conducted within the following framework.



- Red (Inadequate):** unacceptable level of risk, requiring urgent management so that the risks will be at the acceptable level
- Orange** High level of risk, requiring management so that the risks will be at the acceptable level
- สีเหลือง (Adequate):** quite acceptable level of risk, requiring control to prevent risks from moving to the unacceptable level
- Green (Strong):** acceptable level of risk, requiring no risk control and management

To create efficiency in the Company's risk management, follow the process in accordance with the Good Corporate Governance Standard, and promote corporate culture, efficiently focusing on integrated development and ensuring the Stakeholders that risk management is part of normal operation of all the agencies, the Company has specified that risk assessment at agency level should be conducted twice a year, important risk-related covering aspects. Moreover, a risk reduction plan shall be continually prepared, the report shall be presented to the Corporate Governance and Risk Management Committee, and the results of risk assessment of all the agencies shall be mutually considered at the Management Review Meeting, organized by the Company twice a year. Corporate Governance and Risk Management Committee shall regularly collaborate with the Audit Committee every 6 months, in order to exchange knowledge and information about risks and internal control affecting or possibly affecting the Company.

3. Operational Control

The Company has clearly determined operational measures and guidelines by specifying them in the forms of commands, operational rules, approval authority and operational methods, so that all levels of the Executives and Employees shall operate in the same direction, including establishing the Internal Audit Office responsible for regularly calibrating operating results in accordance with the commands, operational rules, approval authority and operational methods, in order to ensure adequacy and appropriateness of the internal control system and efficiency in operation, including use of the SAP system to increase speed and efficiency in operation.

Moreover, the Audit Committee shall regularly consider reports of internal audit results, in order to keep informed of significant aspects and problems found on audit, by giving suggestions to the Management so that it will correct the problems and prevent them from reoccurring.

4. Information Technology and Communication System

The Company provides a storage system for data and information useful and adequate for the Company's business, including improving its information technology system in order to enhance efficiency in its operational system. The Company has adopted the Enterprise Resources Planning (ERP) Software by SAP ECC 6.0 since June 2011. In 2017, the Company considered an investment in organizing HaadThip Improvement Project (HIP), aiming to enhance efficiency in the SAP software system, promote operation business under changes in work process and increases in new modules, in order to cover more operations. The Project was kicked off on May 15, 2017. After the Project was completed as planned, the Company has developed and improved efficiency in the SAP Software, in order to create the good internal control system and continually support changes in the Company's operation.

Moreover, in 2023, the Company's information technology system was audited by an external auditors (KPMG), and it has not been notified by the Auditor of any flaws or errors deemed material.

5. Monitoring System

The Board of Directors has provided an assessment system, regularly monitored the comprehensive internal control system and assigned the Audit Committee to monitor and calibrate the internal control system via the Internal Audit Office, perform operational audits and assess operations, according to the international standard, in order to ensure that the problems found at audit or calibration shall be appropriately and promptly improved and corrected. As for the evaluation of internal control on the accounting and finance side of the Company, the Auditor shall be responsible to perform the audit activities on the part and present the results for consideration by the Audit Committee on a quarterly and yearly basis.

The outcomes from the review by the certified Auditor and Internal Audit Office had shown no issues deemed defective, in all material aspects.

6. Internal Audit

The Audit Committee shall supervise the Internal Audit Office creating confidence, independently and fairly giving counsels on auditing and assessing adequacy of the internal control system, including monitoring improvement results, correcting the operational process appropriately to cover the Company's operational process and reporting them directly to the Internal Audit. The Charter of the Internal Audit Office and the Code of Conduct for Internal Auditors are clearly used as the operational guideline.

9.2 Related Party Transactions

Related party transactions refer to transactions between listed companies or subsidiaries with related persons, such as the Executives, Major Shareholders or Controlling Persons inclusive of a company wherein the connected person is a major shareholder or person with controlling interest.

The Company realizes that doing transactions with related parties may cause conflicts of interest. Therefore, to create transparency and fairness for all the Shareholders equally, the Company abides by the following principles:

1. A connected transaction must go through an approval process deemed transparent, and stakeholders or persons with possible conflict of interest in the connected transaction shall refrain from participating in the decision - making process
2. Consideration to enter into a connected transaction must be based on the best interest of the Company as the top priority
3. Careful consideration by the Audit Committee must be carried out before proposing to the Board of Directors and/or Shareholders' Meeting for approval of such a transaction
4. If any transaction done with related parties is a trade agreement in the same manner as the one done with general contract parties by reasonable persons in the same situations, with bargaining power not influenced by being Directors, Executives and related persons, depending on each case or normal transactions or normal business promoting transactions, under normal trade conditions. The Company shall present the agreement to the Board of Directors for approval or approval in principle before the transaction is done, in accordance with Article 89/12 (1) of the Securities and Exchange Act (no. 4) B.E. 2551
5. Related party transactions shall be disclosed in compliance with the criteria and methods, as specified by the SEC; and
6. There must be reliable follow-up and verification systems to ensure that the connected transactions are adhered to the correct procedure

In the year 2023, the Company had entered into the following Related Parties Transactions with related parties of HaadThip Public Company Limited as follows:

Related persons and details	Description of Transaction	Transaction Value	Opinion of the Audit Committee
Castle Partners Company Limited <ul style="list-style-type: none"> • Mr. Pongsakorn Thiengtham (Director of HaadThip Public Company Limited) is a director and a shareholder, holding 90%. 	The related party transaction is business consultant service for business management and other delegated business works.	Monthly fee for 350,000 Baht/Month for 1-year contract (1 st December 2023 to 30 th November 2024) which is total of 4,200,000 Baht. The fee is market rate and close to other companies providing similar business consulting services.	The transaction is reasonable and benefit to the Company.
Vaisaya Consulting Company Limited <ul style="list-style-type: none"> • Pol. Gen. Jaruvat Vaisaya (Director of HaadThip Public Company Limited) is a director and a shareholder, holding 99.8%. 	The related party transaction is business consultant service related law and regulations to support the business for practice precision in accordance with laws and any regulations for HaadThip Public Company Limited and its subsidiaries.	Monthly fee for 150,000 Baht/Month for whole 1-year contract (1 st December 2023 to 30 th November 2024) which is total of 1,800,000 Baht. Consulting fee is market rate and close to other companies providing similar business consulting services.	The transaction is reasonable and benefit to the Company.

Related persons and details	Description of Transaction	Transaction Value	Opinion of the Audit Committee
Jiva Residences Company Limited <ul style="list-style-type: none"> Pol. Gen. Jaruvat Vaisaya (Director of HaadThip Public Company Limited) is a director and a shareholder, holding 60.0%. 	<p>The related party transaction is construction service for training and recreation center of HaadThip Public Company Limited which is on construction procedure, located on Tambon Taling-Ngam, Amphor Koh Samui, Suratthani. This center will be transferred from HaadThip Development Limited to HaadThip Public Company Limited. The land is 1 rai 66.3 sq.wah. The building is 1,450 sq.m. The purpose of training and recreation center is to be training facility for HaadThip Public Company Limited staff and its subsidiaries.</p> <p>Because the training and recreation center will be transferred from HaadThip Development Limited to HaadThip Public Company Limited, currently the center has construction contract between Jiva Residences Company Limited and HaadThip Development Company Limited, the contract will be resigned between Jiva Residences Company Limited and HaadThip Public Company Limited.</p>	<p>Total construction service is 24,362,500.04 Baht (Twenty four million three hundred sixty two thousand five hundred baht and two satang).</p> <p>Service fee is market rate and close to other companies providing similar business consulting services.</p>	reasonable and benefit to the Company.

In the year 2023, the Company had entered into the following Related Parties Transactions with its subsidiaries as follows:

Proportion of Shareholding

Subsidiary	Proportion of Ownership (%)	Paid-up Capital (Baht million)
Direct Subsidiary		
Southern Rocks Co., Ltd. (STR)	99.99	97.00
HaadThip Food and Beverages Co., Ltd. (HTFB)	99.99	30.00
HaadThip Commercial Co., Ltd. (HTCOM)	99.99	16.00
HaadThip Development Co., Ltd. (HTD)	99.99	81.00
Indirect subsidiary		
KinDeeYuDee 2020 Co., Ltd. (KDYD)	71.00	30.00

Important Related Parties Transactions with subsidiaries as followings

Unit: Baht Million

Transaction	STR	HTFB	KDYD	HTCOM	HTD	Total	Pricing Policy
Sale of products	-	0.001	0.011	0.001	0.068	0.080	Market prices
Purchasing of products	-	0.033	-	0.501	-	0.534	Market prices
Container purchase	643.849	-	-	-	-	643.849	Cost plus additional profit
Service fees of blowing beverage containers	-	-	-	-	-	-	As per mutual agreement
Space Utilization service fee	29.317	-	-	-	-	29.317	As per mutual agreement
Land lease income	0.240	0.036	0.009	0.045	0.054	0.384	As per mutual agreement
Management and administration fee	0.210	-	-	-	-	0.210	As per mutual agreement
Space rental fee for billboard advertisement	-	0.997	-	2.520	2.335	5.851	Market prices
Dividends income	74.685	-	-	-	-	74.685	As per dividend payment announcement
Other incomes	-	0.67	0.00	1.62	0.02	2.321	As per mutual agreement

Future Related Party Transactions

Related transactions of the Company in the future shall be transactions of normal business operation without transferring any interest between the Company and related companies or persons. The company shall adhere to and strictly follow the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission, Thailand (SEC) as well as relevant laws, considering the reasonability and appropriateness of the conditions and market price which can be referred to in order to ensure that the shareholders and every stakeholder receive fair and equitable benefits according to the Company's good governance.



Part 3 Financial Statements



Independent Auditor’s Report

To the Shareholders of Haad Thip Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Haad Thip Public Company Limited and its subsidiaries (the “Group”) and of Haad Thip Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Profession (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Completeness of accrued sales promotion and marketing expenses	
Refer to Note 14 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>In a highly competitive market, the Group has to incur more expenditures in relation to sales promotional and marketing activities with various campaigns to help the Group maintain their market shares. Sales are realised through modern trades with different types of sales incentives such as discounts, rebates, marketing support and sales promotion. Due to the variety of contractual terms, the estimate of the expenditure on incentives is complex in nature and highly uncertain depending upon market conditions. As a result, the completeness on estimate of accrued discounts, rebates, sales promotion and marketing support is an area of focus for my audit.</p>	<p>My principal audit procedures to address this matter included:</p> <ul style="list-style-type: none"> - Understanding the process of sales and estimation relating to the accrual of sales promotion and marketing expenses and testing key controls of such process. This included, but was not limited to, accessing and maintaining selling price data and credit limit approval. - Analysing relationships and movements year on year of sales and related movements of discounts, rebates, promotional and marketing programs. - Considering the reasonableness of the accrual calculation on a sample basis, by corroboration of samples of inputs and inspection of underlying contractual terms with modern trades, and considering the historical accuracy of the accrual with actual expenditures incurred. Also performing test of subsequent expenditures incurred with amounts invoiced and payment documents on a sample basis. - Considering whether the amounts have been recognised in the proper period through sampling tests of credit notes and invoices received during the period and post period. - Sampling the sales promotion activities from promotion grid during the end of period and considering whether the sales promotion and marketing expenses have been recognised in the proper period. - Evaluating the adequacy of the Group's disclosure in accordance with Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Krittika Kongkerd)
 Certified Public Accountant
 Registration No. 10634

KPMG Phoomchai Audit Ltd.
 Bangkok
 23 February 2024

Statement of financial position

HaadThip Public Company Limited and its Subsidiaries

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2023	2022	2023	2022
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	5	97,882,382	163,354,582	64,254,204	139,055,804
Trade accounts receivable	6	629,807,576	588,027,323	629,711,540	579,855,006
Other receivables		64,640,271	63,805,743	56,273,628	60,047,773
Short-term loans to related parties	4	-	-	-	-
Inventories	7	373,045,240	331,351,782	337,886,826	277,472,329
Real estate development for sale	8	78,543,306	72,075,233	-	-
Other current financial assets	25	3,750,118	23,726,760	2,397,909	990,247
Non-current assets					
classified as held for sale		600,893	10,152,952	-	5,095,894
Other current assets		10,686,191	11,787,126	9,715,764	10,093,579
Total current assets		1,258,955,977	1,264,281,501	1,100,239,871	1,072,610,632
Non-current assets					
Other non-current financial assets	25	7,161,761	5,122,767	7,161,761	5,122,767
Investment in subsidiaries	9	-	-	177,992,800	177,992,800
Investment properties	10	192,102,231	213,852,701	193,060,795	193,060,795
Property, plant and equipment	11	4,610,530,057	4,117,850,574	4,340,163,467	3,907,736,018
Right-of-use assets	12	275,527,469	249,307,554	275,099,743	228,455,623
Intangible assets		46,114,260	39,711,137	45,999,833	37,665,408
Deferred tax assets	22	1,513,910	440,175	-	-
Other non-current assets	16	91,496,388	24,656,462	84,398,317	20,979,313
Total non-current assets		5,224,446,076	4,650,941,370	5,123,876,716	4,571,012,724
Total assets		6,483,402,053	5,915,222,871	6,224,116,587	5,643,623,356

Statement of financial position

HaadThip Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2023	2022	2023	2022
		<i>(in Baht)</i>			
Current liabilities					
Short-term loans from financial institutions	13, 25	105,000,000	227,000,000	90,000,000	130,000,000
Trade accounts payable		399,606,576	349,574,352	506,173,866	415,094,201
Other payables	14	720,942,785	479,954,653	695,998,105	469,180,351
Current portion of long-term loans	13, 25	-	13,800,000	-	-
Current portion of lease liabilities	13, 25	85,610,954	79,784,487	85,493,940	74,068,322
Current income tax payable		54,057,544	50,646,422	49,827,940	44,915,525
Other financial liabilities		-	2,193,009	-	2,193,009
Total current liabilities		1,365,217,859	1,202,952,923	1,427,493,851	1,135,451,408
Non-current liabilities					
Long-term loans	13, 25	311,324,233	146,447,540	280,000,000	75,000,000
Lease liabilities	13, 25	189,519,945	169,287,269	189,194,840	154,116,626
Customers' deposits on bottles and cases		20,448,890	16,362,978	20,448,890	16,362,978
Deferred tax liabilities	22	294,799,145	317,658,944	290,719,058	310,704,196
Non-current provisions for employee benefits	15	359,099,477	295,502,814	357,708,248	293,416,779
Other non-current provisions	16	13,595,598	13,595,598	13,595,598	13,595,598
Other non-current liabilities		-	-	-	1,006,422
Total non-current liabilities		1,188,787,288	958,855,143	1,151,666,634	864,202,599
Total liabilities		2,554,005,147	2,161,808,066	2,579,160,485	1,999,654,007

Statement of financial position

HaadThip Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Liabilities and equity					
Equity					
Share capital	17				
Authorised share capital		<u>201,210,180</u>	<u>201,210,180</u>	<u>201,210,180</u>	<u>201,210,180</u>
Issued and paid-up share capital		200,960,500	200,960,500	200,960,500	200,960,500
Share premium					
Share premium on ordinary shares		392,838,100	392,838,100	392,838,100	392,838,100
Retained earnings					
Appropriated					
Legal reserve	18	25,000,000	25,000,000	25,000,000	25,000,000
General reserve	18	35,000,000	35,000,000	35,000,000	35,000,000
Unappropriated		1,685,126,973	1,489,293,260	1,410,820,502	1,390,511,907
Other components of equity		<u>1,589,868,239</u>	<u>1,609,190,081</u>	<u>1,580,337,000</u>	<u>1,599,658,842</u>
Equity attributable to owners of the parent		3,928,793,812	3,752,281,941	3,644,956,102	3,643,969,349
Non-controlling interests		<u>603,094</u>	<u>1,132,864</u>	<u>-</u>	<u>-</u>
Total equity		<u>3,929,396,906</u>	<u>3,753,414,805</u>	<u>3,644,956,102</u>	<u>3,643,969,349</u>
Total liabilities and equity		<u>6,483,402,053</u>	<u>5,915,222,871</u>	<u>6,224,116,587</u>	<u>5,643,623,356</u>

Statement of financial position

HaadThip Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Income					
Revenue from sale of goods	19	7,805,963,858	6,873,522,680	7,749,221,779	6,873,671,877
Dividend income	4, 9	59,888	61,930	74,744,652	184,349,010
Net foreign exchange gain		2,488,543	-	5,242,503	384,805
Other income		57,945,475	42,330,954	64,011,528	63,348,768
Total income		7,866,457,764	6,915,915,564	7,893,220,462	7,121,754,460
Expenses					
Cost of sales of goods	7, 21	4,515,635,792	4,060,419,148	4,672,255,624	4,264,853,084
Distribution costs	21	1,603,329,138	1,420,407,319	1,597,745,886	1,417,256,269
Administrative expenses	21	992,299,077	835,010,069	973,399,352	824,643,828
Impairment loss on investment in subsidiaries	9	-	-	128,000,000	45,999,200
Net foreign exchange loss		-	132,628	-	-
Total expenses		7,111,264,007	6,315,969,164	7,371,400,862	6,552,752,381
Profit from operating activities		755,193,757	599,946,400	521,819,600	569,002,079
Finance costs		(12,674,025)	(8,371,598)	(12,263,977)	(6,961,143)
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9	4, 6	291,816	(37,892)	23,291,816	(23,037,892)
Profit before income tax expense		742,811,548	591,536,910	532,847,439	539,003,044
Tax expense	22	(122,242,639)	(95,126,739)	(109,943,614)	(64,295,652)
Profit for the year from continuing operations		620,568,909	496,410,171	422,903,825	474,707,392
Loss for the year from discontinued operation, net of tax	20	(22,533,447)	(65,428,918)	-	-
Profit for the year		598,035,462	430,981,253	422,903,825	474,707,392

Statement of financial position

HaadThip Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gain (loss) on investments in equity instruments designated at FVOCI		1,546,127	(7,960,802)	1,546,127	(7,960,802)
Loss on revaluation of assets	11	(25,698,430)	-	(25,698,430)	-
Gain (loss) on remeasurements of defined benefit plans	15	(18,616,097)	22,909,249	(18,452,282)	21,855,749
Income tax relating to items that will not be reclassified subsequently to profit or loss	22	8,553,680	(2,989,689)	8,520,917	(2,778,990)
Total items that will not be reclassified subsequently to profit or loss		(34,214,720)	11,958,758	(34,083,668)	11,115,957
Other comprehensive income (expense) for the year, net of tax		(34,214,720)	11,958,758	(34,083,668)	11,115,957
Total comprehensive income for the year		563,820,742	442,940,011	388,820,157	485,823,349
Profit (loss) attributable to:					
Owners of the parent		598,559,995	435,064,480	422,903,825	474,707,392
Non-controlling interests		(524,533)	(4,083,227)	-	-
		598,035,462	430,981,253	422,903,825	474,707,392
Total comprehensive income (expense) attributable to:					
Owners of parent		564,345,275	447,023,238	388,820,157	485,823,349
Non-controlling interests		(524,533)	(4,083,227)	-	-
		563,820,742	442,940,011	388,820,157	485,823,349
Basic earnings (loss) per share (in Baht)					
	23				
Continuing operations		2.34	1.87	1.60	1.79
Discontinued operations		(0.08)	(0.23)	-	-

Statement of changes in equity

HaadThip Public Company Limited and its Subsidiaries

	Consolidated financial statements							Total equity				
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	General reserve	Unappropriated reserve	Fair value reserve (in Baht)	Revaluation reserve		Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	
Year ended 31 December 2022												
Balance at 1 January 2022	200,960,500	392,838,100	25,000,000	35,000,000	1,339,316,322	(479,280)	1,616,038,003	1,615,558,723	3,608,673,645	5,229,011		3,613,902,656
Transactions with owners, recorded directly in equity												
Distributions to owners												
Dividends to owners of the Company	-	-	-	-	(303,414,942)	-	-	-	(303,414,942)	-	-	(303,414,942)
Dividends of subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	(12,920)	-	(12,920)
Total distributions to owners	-	-	-	-	(303,414,942)	-	-	-	(303,414,942)	(12,920)	-	(303,427,862)
Total transactions with owners, recorded directly in equity	-	-	-	-	(303,414,942)	-	-	-	(303,414,942)	(12,920)	-	(303,427,862)
Comprehensive income (expense) for the year												
Profit (loss)	-	-	-	-	435,064,480	-	-	-	435,064,480	(4,083,227)	-	430,981,253
Other comprehensive income (expense)	-	-	-	-	18,327,400	(6,368,642)	-	(6,368,642)	11,958,758	-	-	11,958,758
Total comprehensive income (expense) for the year	-	-	-	-	453,391,880	(6,368,642)	-	(6,368,642)	447,023,238	(4,083,227)	-	442,940,011
Balance at 31 December 2022	200,960,500	392,838,100	25,000,000	35,000,000	1,489,293,260	(6,847,922)	1,616,038,003	1,609,190,081	3,752,281,941	1,132,864		3,753,414,805

The accompanying notes form an integral part of the financial statements.

Statement of changes in equity

HaadThip Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements										
		Retained earnings					Other components of equity					
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	General reserve	Unappropriated	Fair value reserve (in Baht)	Revaluation reserve	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Year ended 31 December 2023												
Balance at 1 January 2023		200,960,500	392,838,100	25,000,000	35,000,000	1,489,293,260	(6,847,922)	1,616,038,003	1,609,190,081	3,752,281,941	1,132,864	3,753,414,805
Transactions with owners, recorded directly in equity												
<i>Distributions to owners</i>												
Dividends to owners of the Company	24	-	-	-	-	(387,833,404)	-	-	-	(387,833,404)	-	(387,833,404)
Dividends of subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	-	(5,237)	(5,237)
Total distributions to owners		-	-	-	-	(387,833,404)	-	-	-	(387,833,404)	(5,237)	(387,838,641)
Total transactions with owners, recorded directly in equity		-	-	-	-	(387,833,404)	-	-	-	(387,833,404)	(5,237)	(387,838,641)
Comprehensive income (expense) for the year												
Profit (loss)		-	-	-	-	598,559,995	-	-	-	598,559,995	(524,533)	598,035,462
Other comprehensive income (expense)		-	-	-	-	(14,892,878)	1,236,902	(20,538,744)	(19,321,842)	(34,214,720)	-	(34,214,720)
Total comprehensive income (expense) for the year		-	-	-	-	583,667,117	1,236,902	(20,538,744)	(19,321,842)	564,345,275	(524,533)	563,820,742
Balance at 31 December 2023		200,960,500	392,838,100	25,000,000	35,000,000	1,685,126,973	(5,611,020)	1,595,479,259	1,589,868,239	3,928,793,812	603,094	3,929,396,906

The accompanying notes form an integral part of the financial statements.

Statement of changes in equity

HaadThip Public Company Limited and its Subsidiaries

	Separate financial statements							Total equity	
	Retained earnings			Other components of equity					
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	General reserve	Unappropriated reserve <i>(in Baht)</i>	Fair value reserve	Revaluation reserve		Total other components of equity
Year ended 31 December 2022									
Balance at 1 January 2022	200,960,500	392,838,100	25,000,000	35,000,000	1,201,734,858	(479,280)	1,606,506,764	1,606,027,484	3,461,560,942
Transactions with owners, recorded directly in equity									
<i>Distributions to owners</i>									
Dividends to owners of the Company	-	-	-	-	(303,414,942)	-	-	-	(303,414,942)
Total distributions to owners	-	-	-	-	(303,414,942)	-	-	-	(303,414,942)
Total transactions with owners, recorded directly in equity	-	-	-	-	(303,414,942)	-	-	-	(303,414,942)
Comprehensive income (expense) for the year									
Profit	-	-	-	-	474,707,392	-	-	-	474,707,392
Other comprehensive income (expense)	-	-	-	-	17,484,599	(6,368,642)	-	(6,368,642)	11,115,957
Total comprehensive income (expense) for the year	-	-	-	-	492,191,991	(6,368,642)	-	(6,368,642)	485,823,349
Balance at 31 December 2022	200,960,500	392,838,100	25,000,000	35,000,000	1,390,511,907	(6,847,922)	1,606,506,764	1,599,658,842	3,643,969,349

The accompanying notes form an integral part of the financial statements.

Statement of changes in equity

HaadThip Public Company Limited and its Subsidiaries

	Separate financial statements							Total equity	
	Retained earnings			Other components of equity					
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	General reserve	Unappropriated reserve <i>(in Baht)</i>	Fair value reserve	Revaluation reserve		Total other components of equity
Year ended 31 December 2023									
Balance at 1 January 2023	200,960,500	392,838,100	25,000,000	35,000,000	1,390,511,907	(6,847,922)	1,606,506,764	1,599,658,842	3,643,969,349
Transactions with owners, recorded directly in equity									
<i>Distributions to owners</i>									
Dividends to owners of the Company	-	-	-	-	(387,833,404)	-	-	-	(387,833,404)
Total distributions to owners	-	-	-	-	(387,833,404)	-	-	-	(387,833,404)
Total transactions with owners, recorded directly in equity	-	-	-	-	(387,833,404)	-	-	-	(387,833,404)
Comprehensive income (expense) for the year									
Profit	-	-	-	-	422,903,825	-	-	-	422,903,825
Other comprehensive income (expense)	-	-	-	-	(14,761,826)	1,236,902	(20,558,744)	(19,321,842)	(34,083,668)
Total comprehensive income (expense) for the year	-	-	-	-	408,141,999	1,236,902	(20,558,744)	(19,321,842)	388,820,157
Balance at 31 December 2023	200,960,500	392,838,100	25,000,000	35,000,000	1,410,820,502	(5,611,020)	1,585,948,070	1,580,337,000	3,644,956,102

The accompanying notes form an integral part of the financial statements.

Statement of cash flows

HaadThip Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	<i>(in Baht)</i>			
Cash flows from operating activities				
Profit for the year	598,035,462	430,981,253	422,903,825	474,707,392
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	122,276,385	95,031,352	109,943,614	64,295,652
Finance costs	14,116,147	9,397,903	12,263,977	6,961,143
Depreciation	338,752,972	311,015,994	302,958,977	263,936,418
Amortisation	15,875,363	23,479,278	14,795,377	21,350,027
(Reversal of) expected credit loss	(440,420)	186,496	(23,291,816)	23,037,892
Impairment loss on assets	16,803,481	18,311,003	12,008,223	-
Impairment loss on investment in subsidiaries	-	-	128,000,000	45,999,200
Other non-current provisions	-	980,967	-	980,967
Unrealised (gain) loss on foreign exchange	(2,417,500)	414,904	(2,428,868)	(102,529)
Loss on inventories devaluation	1,515,584	4,665,488	3,207,013	2,974,059
Gain on disposal of property, plant and equipment	(6,639,320)	(4,292,059)	(5,817,010)	(4,292,059)
Loss on written-off of property, plant and equipment	674,596	8,022,639	659,478	8,004,178
Gain on written-off of right-of-use assets	(185,937)	-	(2,182)	-
Loss on written-off of assets	-	3,834,958	-	614,000
Gain on sale of investment in debt instruments	(758,468)	(265,926)	(120,195)	(114,834)
(Gain) loss on fair value adjustment	(2,790,755)	1,910,861	(3,480,477)	1,938,987
Provision for employee benefits	58,576,640	29,457,066	56,022,874	28,424,713
Dividend income	(59,888)	(61,930)	(74,744,652)	(184,349,010)
Interest income	(1,113,123)	(445,321)	(2,537,281)	(521,756)
	<u>1,152,221,219</u>	<u>932,624,926</u>	<u>950,340,877</u>	<u>753,844,440</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(41,339,833)	(110,266,397)	(49,564,718)	(120,650,755)
Other receivables	(834,528)	52,770,241	3,774,145	54,080,666
Inventories	(43,209,042)	(1,541,960)	(63,621,510)	(14,346,582)
Real estate development for sale	(3,080,776)	(51,983,053)	-	-
Non-current assets classified as held for sale	2,037,396	3,000,000	-	3,000,000
Other current assets	1,100,935	4,822,704	377,815	4,230,589
Other non-current assets	2,023,646	(1,877,114)	(517,817)	(1,696,288)
Trade accounts payable	50,898,175	45,348,403	91,945,616	49,605,471
Other payables	229,392,137	89,681,227	230,904,941	86,596,817
Customers' deposits on bottles and cans	4,085,912	1,775,275	4,085,912	1,775,275
Other non-current liabilities	-	-	(1,006,422)	(1,032,422)
Provision for employee benefits paid	(13,596,074)	(12,431,194)	(10,183,687)	(11,286,724)
Net cash generated from operating	<u>1,339,699,167</u>	<u>951,923,058</u>	<u>1,156,535,152</u>	<u>804,120,487</u>
Taxes paid	<u>(134,245,115)</u>	<u>(99,200,301)</u>	<u>(116,495,420)</u>	<u>(81,002,425)</u>
Net cash provided by operating activities	<u>1,205,454,052</u>	<u>852,722,757</u>	<u>1,040,039,732</u>	<u>723,118,062</u>

The accompanying notes form an integral part of the financial statements.

Statement of cash flows

HaadThip Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Acquisition of investment properties	(9,772,376)	(8,102,120)	-	-
Proceeds from sale of property, plant and equipment	8,188,045	4,298,486	5,822,551	4,298,486
Acquisition of property, plant and equipment	(733,685,366)	(646,397,387)	(684,318,296)	(609,125,412)
Advances payment of machinery	(68,863,572)	-	(62,901,187)	-
Acquisition of intangible assets	(22,904,439)	(19,696,123)	(23,129,802)	(17,064,616)
Proceeds from sale of investment in debt instruments	682,000,000	781,000,000	410,000,000	631,000,000
Acquisition of investment in debt instruments	(660,000,000)	(776,000,000)	(410,000,000)	(630,000,000)
Loans to related parties	-	-	(105,000,000)	(23,000,000)
Dividends received	59,888	61,930	74,744,652	184,349,010
Interest received	1,113,123	445,321	2,537,281	521,756
Net cash used in investing activities	(803,864,697)	(664,389,893)	(792,244,801)	(459,020,776)
<i>Cash flows from financing activities</i>				
Proceeds from short-term loans	617,000,000	610,000,000	290,000,000	130,000,000
Repayment of short-term loans	(739,000,000)	(445,000,000)	(330,000,000)	-
Proceeds from long-term loans	224,023,693	127,747,540	205,000,000	75,000,000
Repayment of long-term loans	(72,947,000)	(134,580,000)	-	(120,780,000)
Payment of lease liabilities	(88,134,606)	(84,170,250)	(85,285,520)	(77,767,616)
Dividends paid to owners of the Company	(387,833,404)	(303,414,942)	(387,833,404)	(303,414,942)
Dividends paid to non-controlling interests	(5,237)	(12,920)	-	-
Interest paid	(20,165,001)	(12,779,677)	(14,477,607)	(7,540,225)
Net cash used in financing activities	(467,061,555)	(242,210,249)	(322,596,531)	(304,502,783)
Net decrease in cash and cash equivalents	(65,472,200)	(53,877,385)	(74,801,600)	(40,405,497)
Cash and cash equivalents at 1 January	163,354,582	217,231,967	139,055,804	179,461,301
Cash and cash equivalents at 31 December	97,882,382	163,354,582	64,254,204	139,055,804

Statement of cash flows

HaadThip Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	<i>(in Baht)</i>			
Supplemental disclosure of cash flows information				
Non-cash transactions :				
Property, plant and equipment and intangible assets purchased during the years are detailed as follows:				
Property, plant and equipment purchased during the years	749,082,459	675,379,977	683,514,792	636,838,179
Intangible assets purchased during the years	22,904,439	16,383,123	23,129,802	13,751,616
Capitalised borrowing cost	(2,603,305)	(1,979,724)	(2,213,630)	(579,082)
(Increase) decrease in payables on purchases of property and equipment	(12,793,788)	(27,002,866)	3,017,134	(27,133,685)
Decrease in payables on purchases of intangible assets	-	3,313,000	-	3,313,000
Net purchase of property, plant and equipment and intangible assets paid by cash	756,589,805	666,093,510	707,448,098	626,190,028

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

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HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 23 February 2024.

1 General information

Haad Thip Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in December 1988. The Company’s registered office at 87/1, Kanchanavanich Road, Thambol Banphru, Amphur Hadyai, Songkhla, Thailand.

The Company’s major shareholders during the financial year were Rattakul family (35.63% shareholding), and Gutsche Family Investments (Proprietary) Limited (24.40% shareholding) which was incorporated in South Africa.

The principal businesses of the Company are manufacturing and distribution of soft drinks. Detail of the Company’s subsidiaries as at 31 December 2023 and 2022 is given in note 9.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

(b) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss.

(d) Financial instruments

(d.1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not a fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivatives are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(d.4) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.5) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in the operating results of the debtor and existing or forecast changes in the market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

(d.6) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition.

(f) Trade accounts receivable

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to make the sale.

(h) Real estate development for sale

Real estate development for sale is real estate that is held with the intention to sell in the ordinary course of business. This real estate is measured at the lower of cost and net realisable value.

The cost of real estate development for sale comprises the cost of land, including acquisition costs, land improvement cost, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development project are capitalised as part of the cost of the property until the completion of development. Cost of real estate development for sale includes an allocation of common area property development expenditure based on saleable area.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

When real estate development for sale are sold, the cost of that real estate is recognised as an expense in the period in which the related revenue is recognised.

Cost of sales is calculated from the cost of land and buildings sold by average cost proportion of areas to be sold.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

(i) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets, plant and equipment are no longer amortised or depreciated.

(j) Investment properties

Investment properties are measured at cost less impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property and the cost of self-constructed assets. Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(k) Property, plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and impairment losses except for lands which are measured at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset, borrowing costs and the costs of dismantling and removing the item and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Revalued assets

Revaluations of assets are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date. Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the "revaluation reserve" in other components of equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset, the increase is recognised in profit or loss. A decrease in value is recognised in profit or loss to the extent it exceeds the revaluation reserve previously recognised in other comprehensive income in respect of the same asset. Upon disposal of a revalued asset, any remaining related revaluation reserve is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction and installation.

The estimated useful lives are as follows:

Land improvements	10	years
Buildings, structures and leasehold improvements	20	years
Machinery and equipment	5, 10 and 20	years
Furniture and office equipment	5	years
Vehicles	5	years
Containers	5	years
Promotional equipment	5	years

(l) Intangible assets

Intangible assets that have definite useful lives are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefit. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	5	years
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The amortisation of other intangible assets is included in cost and administrative expenses.

(m) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the interest rate implicit in the lease and the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the accounting period in which they are earned.

(n) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) *Employee benefits*

Defined contribution plan

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) *Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

(q) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(r) Revenue from contracts with customers

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

Revenue for rendering of services is recognised over time based as the services are provided. The stage of completion is assessed based on surveys of work performed. The related costs are recognised in profit or loss when they are incurred.

(s) Income tax

Income tax expense for the year comprises current and deferred tax which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary difference relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) *Discontinued operations*

A discontinued operation is a component of the Group's business that represents a separate major line of business that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

(u) *Earnings per share*

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

4 Related parties

A related party is a person or entity that has direct or indirect control or has significant influence over the Financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

Relationships with subsidiaries are described in note 9. Other related parties which the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
JIVA RESIDENCES LTD.	Thailand	Common directors
VAISAYA CONSULTING LTD.	Thailand	Common directors
Castle Partners Co., Ltd.	Thailand	Common directors
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director. (whether executive or otherwise) of the Group

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

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In 2023, the Company resolved to forgive loans to 2 subsidiaries and wrote off the loans as bad debt totalling Baht 128 million due to the fact that those subsidiaries are facing liquidity problem which impact their repayment ability.

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Trade accounts payable				
Subsidiaries	-	-	<u>160,525</u>	<u>112,443</u>
Other payables				
Subsidiaries	-	-	<u>107</u>	<u>4</u>

Significant agreements with related parties

Service agreements for area utilisation

The Company has entered into service agreements for area utilisation with a subsidiary for Phoonpin factory for a period of 8 years expired in February 2021 and has renewed the agreement for a period of 8 years expired in February 2029. The subsidiary has agreed to pay service fees at the amounts as stipulated in the agreements.

Lease agreement for land

On 1 November 2014, the Company entered into a lease agreement for land with a subsidiary for the purpose of building construction. The lease term was for a period of 20 years commencing from 1 November 2014 to 31 October 2034. The subsidiary has the first priority to renew the lease agreement, which can be extendable for successive periods of 10 years each. The subsidiary can renew the lease by informing the Company at least 30 days before the expiry date. The subsidiary agreed to pay the rental fee in the amount as stipulated in the agreement and rental rates will be adjusted every 5 years. Under the term of the agreement, the building including other constructions thereon will be transferred to the Company when the agreement is terminated.

Service agreement for blowing plastic bottles

In February 2015, the Company has entered into service agreement for blowing plastic bottles with a subsidiary. The Company has agreed to pay service fee at the amount as stipulated in the agreement. The subsidiary is able to change the price as appropriate without prior notice to the Company. The Company may terminate the agreement at any time.

Service agreement

In April 2021, the Company entered into agreement with several subsidiaries to provide services in relation to management, office rental, transportation, sales and warehouse services. The Company will receive service fees as specified in the agreement.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Cash and cheques received on hand	23,488	14,696	23,400	14,233
Cash at banks	74,394	148,659	40,854	124,823
Total	97,882	163,355	64,254	139,056

6 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<i>At 31 December</i>	<i>(in thousand Baht)</i>			
Within credit terms	614,508	585,323	614,459	578,233
Overdue:				
Less than 3 month	15,242	2,541	15,195	1,528
3-6 months	2	309	2	92
6-12 months	73	2	73	2
Over 12 months	298	620	298	620
Total	630,123	588,795	630,027	580,475
Less allowance for expected credit loss	(315)	(768)	(315)	(620)
Net	629,808	588,027	629,712	579,855

Information of credit risk is disclosed in note 25 (b.1.1)

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Finished goods	137,419	131,679	118,456	96,283
Raw materials and packing materials	182,874	161,186	172,139	146,623
Work in progress	-	45	-	45
Spare parts and factory supplies	52,101	41,632	46,641	36,193
Goods in transit	988	265	988	91
Less allowance for obsolescence	(377)	(3,455)	(337)	(1,763)
Total	373,045	331,352	337,887	277,472
Inventories recognised in cost of sales of goods				
- Cost	4,512,429	4,057,445	4,669,049	4,261,879
- Write-down to net realisable value	3,207	2,974	3,207	2,974
Total	4,515,636	4,060,419	4,672,256	4,264,853

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

8 Real estate development for sale

At 31 December 2023, real estate development for sale namely land and construction developed for sales of the Group in amount of Baht 78.54 million (2022: Baht 72.08 million) which are expected to complete over the next year as of report date. Borrowing costs capitalised in this real estate development for sale during the year amounting to Baht 3.39 million (2022: Baht 1.58 million) with the borrowing rate of 4.65% - 5.85% per annum (2022: 4.15% - 4.65% per annum).

9 Investment in subsidiaries

<i>Year ended 31 December</i>	Separate financial statements	
	2023	2022
At 1 January	177,992	223,992
Add	128,000	-
Impairment losses	(128,000)	(46,000)
At 31 December	177,992	177,992

On 13 February 2023, the Board of Directors' meeting resolved to approve the dissolution of 3 companies, namely Haad Thip Commercial Co., Ltd., Haad Thip Food and Beverages Co., Ltd. and Kin Dee Yu Dee 2020 Co., Ltd., which is a subsidiaries of the Company

In 2023, the Company resolved to forgive loans to 2 subsidiaries and wrote off the loans as bad debt totalling Baht 128 million. The Company recognised the loan forgiveness as part of investments in subsidiaries as well as recognised impairment loss on investments in subsidiaries in the separate statement of comprehensive income for the year ended 31 December 2023 in the amount of Baht 128 million (see note 4).

In 2022, the Company recognised loss on impairment of investment in 2 subsidiaries in the statements of comprehensive income amounting to Baht 46 million which were investment in Haad Thip Commercial Co., Ltd. and Haad Thip Food and Beverages Co., Ltd. due to continuous losses from business operations.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

Separate financial statements

	Type of business	Ownership interest (%)		Paid-up capital		Cost		Impairment (in thousand Baht)		At cost - net		Dividend income for the year	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Direct subsidiaries													
Southern Rocks Co., Ltd.	Manufacture and distribute plastic bottles and semi finished plastic bottles and blowing plastic bottles service	99.99	99.99	97,000	97,000	96,993	96,993	-	-	96,993	96,993	74,685	184,287
Haad Thip Food and Beverages Co., Ltd.	Manufacture and distribute food	99.99	99.99	30,000	30,000	72,000	30,000	(72,000)	(30,000)	-	-	-	-
Haad Thip Commercial Co., Ltd.	Manufacture and distribute consumer goods	99.99	99.99	16,000	16,000	102,000	16,000	(102,000)	(16,000)	-	-	-	-
Haad Thip Development Co., Ltd.	Real estate development	99.99	99.99	80,999	80,999	80,999	80,999	-	-	80,999	80,999	-	-
Total				351,992	223,992	351,992	223,992	(174,000)	(46,000)	177,992	177,992	74,685	184,287
Indirect subsidiary													
Kin Dee Yu Dec 2020 Co.,Ltd.	Manufacture and distribute food	71.00	71.00	30,000	30,000	21,300	21,300	(19,927)	(18,609)	1,373	2,691	-	-

All subsidiaries were registered and operated in Thailand

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

10 Investment properties

	Consolidated financial statements			Separate financial statements	
	Land	Investment properties in progress	Total (in thousand Baht)	Land	Total
Cost					
At 1 January 2022	192,102	13,649	205,751	193,061	193,061
Additions	-	8,102	8,102	-	-
At 31 December 2022 and 1 January 2023	192,102	21,751	213,853	193,061	193,061
Additions	-	9,772	9,772	-	-
Transfer to property, plant and equipment	-	(31,523)	(31,523)	-	-
At 31 December 2023	192,102	-	192,102	193,061	193,061
Net book value					
At 31 December 2022	192,102	21,751	213,853	193,061	193,061
At 31 December 2023	192,102	-	192,102	193,061	193,061

Year ended 31 December	Separate financial statements	
	2023	2022
Amounts recognised in profit or loss	<i>(in thousand Baht)</i>	
Rental income	450	450

As at 31 December 2023, investment properties comprise land held for future project, land that is leased to a subsidiary company.

In October 2023, the subsidiary sold investment properties with net book value Baht 31.52 million to a subsidiary in amount of Baht 32.44 million.

Information relating to leases are disclosed in note 12.

The fair value of investment properties as at 31 December 2023 of the Group and the Company of Baht 651.12 million (2022: 451.09 Baht and 437.36 million, respectively) was determined by independent professional valuers, at open market values on an existing use basis and cost. The fair value of investment property has been categorised as a Level 3 fair value.

Valuation technique and significant unobservable inputs

The external independent valuer applied the Market Approach and Cost Approach to measure fair value of investment properties.

The significant unobservable inputs used in measuring the fair value of investment properties are the quoted price and the purchasing and selling price of comparable investment properties adjusted with other different factors.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

11 Property, plant and equipment

	Consolidated financial statements											
	Cost	Land revaluation reserve	Total	Land improvements	Buildings, structures and leasehold improvements	Machinery and equipment	Furniture and office equipment	Vehicles	Containers, net	Promotional equipment	Assets under construction and installation	Total
<i>(in thousand Baht)</i>												
Cost / revaluation												
At 1 January 2022	231,952	1,865,956	2,097,908	84,347	1,085,273	1,465,919	787,524	513,369	9,497	444,309	22,684	6,510,830
Additions	-	-	-	-	440	676	20,927	15,786	4,610	46,424	586,517	675,380
Transfers	-	-	-	9,025	19,386	26,703	16,020	-	-	-	(71,134)	-
Transfers from right-of-use assets	-	-	-	-	-	-	-	58,399	-	-	-	58,399
Transfers to held-for-sale assets	-	-	-	-	-	(57,240)	-	-	-	-	-	(57,240)
Disposals	-	-	-	-	(10,815)	(8)	(5,910)	(23,301)	(199)	(10)	-	(40,243)
At 31 December 2022 and 1 January 2023	231,952	1,865,956	2,097,908	93,372	1,094,284	1,436,050	818,561	564,253	13,908	490,723	538,067	7,147,126
Additions	-	-	-	-	1,511	4,080	26,216	7,003	-	41,219	669,053	749,082
Transfers	15,937	-	15,937	2,340	389,745	593,817	53,700	-	-	-	(1,055,539)	-
Transfers from investment properties	7,948	-	7,948	-	-	-	-	-	-	-	23,575	31,523
Transfers from right-of-use assets	-	-	-	-	-	-	-	38,368	-	-	-	38,368
Transfers to held-for-sale assets	-	-	-	-	(9,551)	(4,267)	(1,520)	-	-	-	-	(15,338)
Reversal of surplus on revaluation	-	(25,698)	(25,698)	-	-	-	-	-	-	-	-	(25,698)
Disposals	-	-	-	-	(5,106)	(2,903)	(16,099)	(36,110)	(384)	(25)	-	(60,627)
At 31 December 2023	255,837	1,840,258	2,096,095	95,712	1,470,883	2,026,777	880,858	573,514	13,524	531,917	175,156	7,564,436

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

	Consolidated financial statements										Total	
	Land revaluation reserve	Land improvements	Buildings, structures and leasehold improvements	Machinery and equipment	Furniture and office equipment	Vehicles	Containers, net	Promotional equipment	Assets under construction and installation	Total		
Accumulated depreciation and impairment loss												
At 1 January 2022	-	(38,758)	(449,574)	(788,897)	(719,218)	(484,019)	-	(335,942)	-	(2,816,408)		
Depreciation charge for the year	-	(8,009)	(47,617)	(90,071)	(28,349)	(13,491)	-	(40,686)	-	(228,223)		
Impairment losses	-	-	(7,974)	(2,324)	(345)	-	-	-	-	(10,643)		
Transfers from right-of-use assets	-	-	-	-	-	(58,399)	-	-	-	(58,399)		
Transfers to held-for-sale assets	-	-	-	52,183	-	-	-	-	-	52,183		
Disposals	-	-	3,293	2	5,609	23,301	-	10	-	32,215		
At 31 December 2022 and 1 January 2023	-	(46,767)	(501,872)	(829,107)	(742,303)	(532,608)	-	(376,618)	-	(3,029,275)		
Depreciation charge for the year	-	(8,381)	(51,944)	(102,085)	(32,142)	(11,254)	-	(44,790)	-	(250,596)		
Impairment losses	-	-	(6,912)	-	-	-	-	-	-	(6,912)		
Transfers from right-of-use assets	-	-	-	-	-	(38,368)	-	-	-	(38,368)		
Transfers to held-for-sale assets	-	-	8,994	2,980	836	-	-	-	-	12,810		
Disposals	-	-	4,866	1,807	15,636	36,110	-	16	-	58,435		
At 31 December 2023	-	(55,148)	(546,868)	(926,405)	(757,973)	(546,120)	-	(421,392)	-	(3,253,906)		
Net book value												
At 31 December 2022	231,952	1,865,956	2,097,908	606,943	76,258	31,645	13,908	114,105	538,067	4,117,851		
At 31 December 2023	255,837	1,840,258	2,096,095	1,100,372	122,885	27,394	13,524	110,525	175,156	4,610,530		

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

	Land		Separate financial statements <i>(in thousand Baht)</i>										Total
	Cost	Revaluation reserve	Total	Land improvements	Buildings, structures and leasehold improvements	Machinery and equipment	Furniture and office equipment	Vehicles	Containers, net	Promotional equipment	Assets under construction and installation		
Cost / revaluation													
At 1 January 2022	231,296	1,865,546	2,096,842	81,265	1,012,378	1,106,083	752,251	509,696	9,497	444,309	17,993	6,030,314	
Additions	-	-	-	-	270	-	18,573	15,787	4,610	46,425	551,173	636,838	
Transfers	-	-	-	9,024	16,488	-	15,924	-	-	-	(41,436)	-	
Transfers from right-of-use assets	-	-	-	-	-	-	-	58,399	-	-	-	58,399	
Disposals	-	-	-	-	(10,801)	-	(5,821)	(23,301)	(199)	(10)	-	(40,132)	
At 31 December 2022 and													
1 January 2023	231,296	1,865,546	2,096,842	90,289	1,018,335	1,106,083	780,927	560,581	13,908	490,724	527,730	6,685,419	
Additions	8,863	-	8,863	-	510	3,503	26,907	6,620	-	41,219	595,893	683,515	
Transfers	15,937	-	15,937	2,340	387,016	493,151	53,700	-	-	-	(952,144)	-	
Transfers from right-of-use assets	-	-	-	-	-	-	-	38,368	-	-	-	38,368	
Reversal of surplus on revaluation	-	(25,698)	(25,698)	-	-	-	-	-	-	-	-	(25,698)	
Disposals	-	-	-	-	(1,466)	-	(15,548)	(36,110)	(384)	(25)	-	(53,533)	
At 31 December 2023	256,096	1,839,848	2,095,944	92,629	1,404,395	1,602,737	845,986	569,459	13,524	531,918	171,479	7,328,071	

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

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	Land		Separate financial statements							Assets under construction and installation	Total		
	Cost	Revaluation reserve	Land improvements	Buildings, structures and leasehold improvements	Machinery and equipment	Furniture and office equipment	Vehicles	Containers, net	Promotional equipment				
Accumulated depreciation													
At 1 January 2022	-	-	(37,826)	(428,906)	(592,610)	(688,440)	(480,348)	-	(335,942)	-	-	(2,564,072)	
Depreciation charge for the year	-	-	(7,854)	(42,175)	(56,412)	(26,717)	(13,490)	-	(40,686)	-	-	(187,334)	
Transfers from right-of-use Assets	-	-	-	-	-	-	(58,399)	-	-	-	-	(58,399)	
Disposals	-	-	-	3,288	-	5,523	23,301	-	10	-	-	32,122	
At 31 December 2022 and 1 January 2023	-	-	(45,680)	(467,793)	(649,022)	(709,634)	(528,936)	-	(376,618)	-	-	(2,777,683)	
Depreciation charge for the year	-	-	(8,226)	(48,616)	(74,255)	(30,715)	(11,211)	-	(44,790)	-	-	(217,813)	
Impairment losses	-	-	-	(6,912)	-	-	-	-	-	-	-	(6,912)	
Transfers from right-of-use Assets	-	-	-	-	-	-	(38,368)	-	-	-	-	(38,368)	
Disposals	-	-	-	1,411	-	15,331	36,110	-	16	-	-	52,868	
At 31 December 2023	-	-	(53,906)	(521,910)	(723,277)	(725,018)	(542,405)	-	(421,392)	-	-	(2,987,908)	
Net book value													
At 31 December 2022	231,296	1,865,546	44,609	550,542	457,061	71,293	31,645	13,908	114,106	527,730	-	3,907,736	
At 31 December 2023	256,096	1,839,848	38,723	882,485	879,460	120,968	27,054	13,524	110,526	171,479	-	4,340,163	

(in thousand Baht)

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

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Capitalised borrowing costs relating to the acquisition of the construction of the new buildings and the machinery for the Group and the Company are amounted Baht 2.60 million and Baht 2.21 million, respectively (2022: Baht 1.98 million and Baht 0.58 million, respectively), with a capitalisation rate of MLR - 1.43% and 3.15% per annum, respectively (2022: 1.43% and 3.15% per annum, respectively).

In October and November 2023, the Company's lands were remeasures by Agency for CPM Capital Co., Ltd., an independent professional valuer, at open market values on an existing use basis and cost. The fair value has been categorised as a Level 3 fair value. The value of the Company's lands decreased by Baht 25.70 million. The Company recognised loss from asset revaluation net of income tax amounting to Baht 20.56 million in other comprehensive income. At 31 December 2023, the net book value of the Group's and the Company's lands would have been amounting to Baht 255.84 million and Baht 256.10 million, respectively, if they were measured at cost. (2022: Baht 231.95 million and Baht 231.30 million, respectively)

Valuation technique and significant unobservable inputs

The external independent valuer applied the Market Approach and Cost Approach to measure fair value of land.

The significant unobservable inputs used in measuring the fair value of land are the quoted price and the purchasing and selling price of comparable land adjusted with other different factors.

12 Leases

As a lessee

<i>Right-of-use assets</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Buildings	7,762	4,091	7,762	2,108
Vehicles	267,765	245,217	267,338	226,348
Total	275,527	249,308	275,100	228,456

In 2023, additions to the right-of-use assets of the Group and the Company were increased by Baht 132.27 million (2022: Baht 121.84 million and Baht 106.83 million, respectively).

The Group and the Company entered into lease agreements of buildings for 2-3 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

The Group and the Company entered into lease agreements of vehicles. The rental is payable monthly as specified in the contract. The ownership of the vehicle will be transferred to the Group and the Company when the Group and the Company exercises the purchase option and the payment for purchase option has been made.

Notes to the financial statements

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Extension options

The Group has extension options on property leases exercisable up to one year before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Buildings	3,020	5,579	2,819	2,807
- Vehicles	85,137	77,215	82,327	73,795
Interest on lease liabilities	6,244	5,132	6,085	4,802
Expenses relating to short-term leases	191	479	191	479
Expenses relating to leases of low-value assets	14,790	8,690	14,790	8,810

In 2023, total cash outflow for leases of the Group and the Company were Baht 109.36 million and Baht 106.35 million, respectively (2022: Baht 98.47 million and Baht 91.86 million, respectively).

As a lessor

The leases of investment properties comprise land that is leased to related subsidiary under operating leases.

<i>At 31 December</i>	Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
<i>Lease payments to be received from operating lease</i>		
Year 1	446	444
Year 2	456	446
Year 3	456	456
Year 4	456	456
Year 5	456	456
After 5 years	1,350	1,806
Total	3,620	4,064

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

13 Interest-bearing liabilities

	Consolidated financial statements					
	2023			2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Short-term loans						
- financial institutions	105,000	-	105,000	227,000	-	227,000
Long-term loans						
- financial institutions	311,324	-	311,324	160,248	-	160,248
Lease liabilities	-	275,131	275,131	-	249,072	249,072
Total interest-bearing liabilities	416,324	275,131	691,455	387,248	249,072	636,320
	Separate financial statements					
	2023			2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Short-term loans						
- financial institutions	90,000	-	90,000	130,000	-	130,000
Long-term loans						
- financial institutions	280,000	-	280,000	75,000	-	75,000
Lease liabilities	-	274,689	274,689	-	228,185	228,185
Total interest-bearing liabilities	370,000	274,689	644,689	205,000	228,185	433,185

At 31 December 2023, the Group had short-term loans from financial institutions which are promissory notes which will repayable within 2024. Interest was charged at rates from 2.65% to 4.95% per annum (2022: 1.55% to 3.75% per annum).

Long-term loans from financial institutions

On 28 January 2022, the Company entered to a loan agreement with a financial institution for a loan facility of Baht 700 million to purchase soft drink filling machinery (PET Filling Line), equipment, supporting system to machinery and equipment and other related works. This loan bears interest at fixed rate 3.15% per annum for the first three years and at the Minimum Loan Rate (MLR) minus 2.38% per annum for the fourth year onwards. The interest will be paid on monthly. The loan is repayable in monthly installments of Baht 9.41 million for each installments, which will be starting from the fourth year and fully paid in 10 years commencing from the first drawdown date. As of 31 December 2023, the Company had unutilised credit facilities totaling Baht 495 million (2022: Baht 700 million).

On 28 January 2022, the Company entered to a loan agreement with a financial institution for a loan facility of Baht 500 million to production plant, raw material storage building and office building construction and other related works. This loan bears interest at fixed rate 3.15% per annum for the first three years and at the Minimum Loan Rate (MLR) minus 2.38% per annum for the fourth year onwards. The interest will be paid on monthly. The loan is repayable in monthly installments of Baht 6.8 million for each installments, which will be starting from the fourth year and fully paid in 10 years commencing from the first drawdown date. As of 31 December 2023, the Company had unutilised credit facilities totaling Baht 425 million (2022: Baht 425 million).

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

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For the 2 loan agreements dated 28 January 2022 above, the Company mortgaged land included the existing property and the future property in order to pledge as security for credit facilities of Baht 560 million and the Company has to comply with the certain conditions which are consisted of maintaining the debt to equity ratio and the debt covenant ratio and making an insurance for such property on land and assigning the benefits of an insurance to that financial institution.

Subsidiaries

On 23 February 2018, the subsidiary entered into loan agreements with a financial institution for loan facilities of Baht 110 million for purchase of machinery and equipment. The interest rate is 3.5% per annum. The loan is repayable in monthly installments of Baht 1.15 million for each installment which will be fully paid in 10 years commencing from the first drawdown date. During 2023, the Company had already repaid the loan in full.

On 14 January 2022, a subsidiary entered into a loan agreement with a financial institution for loan facilities of Baht 125.5 million for construction of properties for sale. This loan bears interest at the Minimum Loan Rate (MLR) minus 1.43% per annum. The interest will be paid on monthly repayment of principal is to be made when the properties were sold, at 70% of the payment received. which will be fully paid in 4 years commencing from the first drawdown date. The subsidiary has mortgaged the land totaling Baht 155.5 million for the loan facility. As of 31 December 2023, the Company had unutilised credit facilities totaling Baht 53.73 million (2022: Baht 72.75 million).

Under the terms of the long-term loan agreements, the Group has to comply with certain conditions, such as maintaining the debt to equity ratio, the debt covenant ratio, etc. The Group also assigned the benefits of an insurance policy covering the assets as collateral for secured interest-bearing liabilities.

<i>Assets pledged as security for liabilities as at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Property, plant and equipment	<u>1,213,310</u>	<u>919,153</u>	<u>1,007,555</u>	<u>696,889</u>

(in thousand Baht)

As at 31 December 2023, the Group and the Company had unutilised credit facilities totaling Baht 1,998.72 million and Baht 1,885 million, respectively (2022: Baht 2,283.75 million and Baht 2,100 million, respectively).

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

Changes in liabilities arising from financing activities

	Consolidated financial statements		
	Loans and borrowings	Lease liabilities (in thousand Baht)	Total
2023			
At 1 January	387,248	249,072	636,320
Changes from financing cash flows	29,076	(88,135)	(59,059)
Other changes	-	114,194	114,194
At 31 December	416,324	275,131	691,455
2022			
At 1 January	229,080	212,656	441,736
Changes from financing cash flows	158,168	(84,170)	73,998
Other changes	-	120,586	120,586
At 31 December	387,248	249,072	636,320
	Separate financial statements		
	Loans and borrowings	Lease liabilities (in thousand Baht)	Total
2023			
At 1 January	205,000	228,185	433,185
Changes from financing cash flows	165,000	(85,286)	79,714
Other changes	-	131,790	131,790
At 31 December	370,000	274,689	644,689
2022			
At 1 January	120,780	199,124	319,904
Changes from financing cash flows	84,220	(77,768)	6,452
Other changes	-	106,829	106,829
At 31 December	205,000	228,185	433,185

14 Other payables

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
Accrued sales promotion and marketing expenses	117,116	101,032	117,116	101,032
Accrued operating expenses	160,361	120,416	140,472	117,105
Accrued bonus expenses	169,212	8,820	168,293	8,820
Other payables	205,468	209,117	202,647	203,170
Accrued transportation expenses	14,886	10,908	14,886	10,908
Value added tax payable	21,451	7,966	21,451	7,966
Others	32,449	21,696	31,133	20,179
Total	720,943	479,955	695,998	469,180

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant.

<i>Effect to the defined benefit obligation</i> <i>At 31 December</i>	Consolidated financial statements			
	0.5% increase in assumption		0.5% decrease in assumption	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Discount rate	(12,181)	(11,329)	13,055	12,161
Future salary growth	12,696	11,803	(11,978)	(11,119)

<i>Effect to the defined benefit obligation</i> <i>At 31 December</i>	Separate financial statements			
	0.5% increase in assumption		0.5% decrease in assumption	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Discount rate	(12,415)	(11,214)	13,016	11,679
Future salary growth	12,659	12,033	(11,943)	(11,007)

16 Other non-current provisions

In September 2021, the Company received notices of assessment of import duties included value added taxes, penalties and surcharges for the import goods by the Customs Department totaling amounting to Baht 12.99 million. In November 2021, the Company lodged an appeal of the tax assessment against the Appeal Committee of the Customs Department. In an appeal lodging, the Company placed the letter of guarantees issued by a financial institution amounting to Baht 13.60 million in order to secure the tax payment. However, the Company could charge the duties and related expenses from the suppliers following the agreed condition in case that the appeal is finalised. The Company recognised the duties and related expenses amounting to Baht 13.60 million as other non-current provision and the reimburse as the same amount as other non-current assets in the statement of financial position as at 31 December 2023. The matter is under the Appeal Committee of the Customs Department consideration at the present.

17 Share Capital

<i>Authorised</i>	Par value per share <i>(in Baht)</i>	Consolidated financial statements / Separate financial statements			
		2023		2022	
		Number	Amount	Number	Amount
At 1 January					
- ordinary shares	1	201,210	201,210	201,210	201,210
Change in par value					
- from Baht 1 to Baht 0.5	0.5	201,210	-	-	-
At 31 December - ordinary shares	0.5	402,420	201,210	201,210	201,210

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

<i>Authorised</i>	Par value per share (in Baht)	Consolidated financial statements / Separate financial statements			
		2023		2022	
		Number	Amount	Number	Amount
		(thousand shares / in thousand Baht)			
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	200,960	200,960	200,960	200,960
Change in par value					
- from Baht 1 to Baht 0.5	0.5	200,960	-	-	-
At 31 December - ordinary shares	0.5	401,920	200,960	200,960	200,960

At the Extraordinary General Meeting of the Company held on 23 August 2023, the meeting approved the change in par value of the Company's shares from Baht 1 per share to Baht 0.50 per share. The registered capital and paid-up capital of the Company remain the same. The Company has already registered with the Ministry of Commerce on 31 August 2023.

18 Reserves

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

General reserve

The Company has a policy to appropriate a reserve for general purposes. The general reserves as at 31 December 2023 amounted to Baht 35 million (2022: Baht 35 million).

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

19 Segment information and disaggregation of revenue

	Consolidated financial statements								
	Segment soft drinks		Segment consumer goods (Discontinued operation)		Segment food (Discontinued operation)		Segment Real estate development		Total
	2023	2022	2023	2022	2023	2022	2023	2022	
<i>Year ended 31 December</i>									
<i>Information about reportable segments and disaggregation of revenue</i>									
Primary geographical markets									
Thailand	7,749,274	6,873,498	14,673	142,470	7,324	32,370	-	7,827,961	7,048,338
Total revenue	7,749,274	6,873,498	14,673	142,470	7,324	32,370	-	7,827,961	7,048,338
Major products line									
Carbonated	7,182,026	6,444,448	-	-	-	-	-	7,182,026	6,444,448
Non-carbonated	567,248	429,050	-	-	-	-	-	567,248	429,050
Consumer goods	-	-	14,673	142,470	-	-	-	14,673	142,470
Food	-	-	-	-	7,324	32,370	-	7,324	32,370
Real estate	-	-	-	-	-	-	56,690	56,690	-
Total revenue	7,749,274	6,873,498	14,673	142,470	7,324	32,370	56,690	7,827,961	7,048,338
Total segment profit (loss) before income tax	637,413	553,516	(19,892)	(47,906)	(9,903)	(57,063)	(42)	607,576	440,199
Eliminated transactions	96,607	50,062	4,237	12,363	3,059	22,826	8,834	112,737	85,814
Segment profit (loss) before income tax	734,020	603,578	(15,655)	(35,543)	(6,844)	(34,237)	8,792	720,313	526,013
Segment assets as at 31 December	6,383,846	5,764,833	9,925	46,229	8,013	2,775	81,618	6,483,402	5,915,223
Segment liabilities as at 31 December	2,508,285	1,974,688	568	96,674	795	30,149	44,357	2,554,005	2,161,808

The timing of revenue recognition of the Group is at a point in time.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

<i>Year ended 31 December</i>	Segment soft drinks		Separate financial statements Segment consumer goods		Total	
	2023	2022	2023	2022	2023	2022
	<i>(in thousand Baht)</i>					
Disaggregation of revenue						
Primary geographical markets						
Thailand	7,749,222	6,873,646	-	26	7,749,222	6,873,672
Total revenue	7,749,222	6,873,646	-	26	7,749,222	6,873,672
Major products line						
Carbonated	7,181,949	6,444,538	-	-	7,181,949	6,444,538
Non-carbonated	567,273	429,108	-	-	567,273	429,108
Consumer goods	-	-	-	26	-	26
Total revenue	7,749,222	6,873,646	-	26	7,749,222	6,873,672

The timing of revenue recognition of the Company is at a point in time.

Major customer

Revenues from one customer of the Group's and the Company's segment soft drink represents approximately Baht 1,156.69 million (2022: Baht 1,146.30 million) of the Group's and the Company's total revenue.

Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment for semi-plastic bottle (Preform) and plastic bottles (PET) businesses. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

20 Discontinued operation

In April and June 2023, 3 subsidiaries discontinued the operation in consumer goods and food segment. This segment was not a discontinued operation or classified as held for sale as at 31 December 2022 and the comparative statement of comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

<i>Operating results of discontinued operation For the year ended 31 December</i>	Consolidated financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Revenue	152,446	176,621
Expenses	<u>(174,945)</u>	<u>(242,145)</u>
Results from operating activities	(22,499)	(65,524)
Tax (expense) income	<u>(34)</u>	<u>95</u>
Loss for the year	<u>(22,533)</u>	<u>(65,429)</u>
Profit (loss) for the year attributable to the owners of the Company arising from:		
- Continuing operations	620,558	496,397
- Discontinued operations	<u>(21,998)</u>	<u>(61,333)</u>
Total	<u>598,560</u>	<u>435,064</u>

<i>Cash flows from (used in) discontinued operation For the year ended 31 December</i>	Consolidated financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Net cash used in operating activities	(15,443)	(41,859)
Net cash from (used in) investing activities	4,103	(8,472)
Net cash from financing activities	<u>14,417</u>	<u>41,629</u>
Net cash flows from (used in) discontinued operation	<u>3,077</u>	<u>(8,702)</u>

21 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Raw materials and consumables used	2,315,583	2,214,703	2,582,614	2,508,432
Excise tax	1,500,733	1,257,897	1,500,733	1,257,897
Employee benefit expenses	1,345,120	1,119,138	1,333,389	1,109,707
Depreciation and amortisation	349,794	323,672	317,754	287,142
Sales promotion and marketing expenses	621,730	559,731	621,626	558,875
Transportation and fuel expenses	264,542	254,187	264,097	253,727
Administration expenses	81,804	75,291	81,081	74,222
Repair and maintenance expenses	172,325	138,905	155,051	132,375
Others	<u>459,633</u>	<u>372,313</u>	<u>387,056</u>	<u>324,376</u>
Total cost of sales of goods, distribution costs and administrative expenses	<u>7,111,264</u>	<u>6,315,837</u>	<u>7,243,401</u>	<u>6,506,753</u>

Notes to the financial statements

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During 2023, the Group has contributed provident funds for its employees amounting to Baht 22.22 million and Baht 22.08 million, respectively (2022: Baht 17.76 million and Baht 17.41 million, respectively), which is included in employee benefit expenses.

22 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	137,743	100,221	121,494	83,102
Over provided in prior years	(86)	-	(86)	-
	<u>137,657</u>	<u>100,221</u>	<u>121,408</u>	<u>83,102</u>
Deferred tax expense				
Movements in temporary differences	(15,380)	(5,190)	(11,464)	(18,806)
Total income tax expense	<u>122,277</u>	<u>95,031</u>	<u>109,944</u>	<u>64,296</u>
<i>Allocate to</i>				
- Income tax expense from continuing operation	122,243	95,126	109,944	64,296
- Income tax expense from discontinued operation	34	(95)	-	-
Total income tax expense	<u>122,277</u>	<u>95,031</u>	<u>109,944</u>	<u>64,296</u>

	Consolidated financial statements					
	Before tax	2023 Tax (expense) benefit	Net of tax	Before tax	2022 Tax (expense) benefit	Net of tax
<i>Income tax</i>						
Recognised in other comprehensive income						
Actuarial gain (loss)	(18,616)	3,723	(14,893)	22,910	(4,582)	18,328
Financial assets at FVOCI	1,546	(309)	1,237	(7,961)	1,592	(6,369)
Asset revaluation	(25,698)	5,140	(20,558)	-	-	-
Total	<u>(42,768)</u>	<u>8,554</u>	<u>(34,214)</u>	<u>14,949</u>	<u>(2,990)</u>	<u>11,959</u>

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

	Separate financial statements					
	2023	2022	2023	2022	2023	2022
Income tax	Before tax	Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>	Before tax	Tax (expense) benefit	Net of tax
Recognised in other comprehensive income						
Actuarial gain (loss)	(18,452)	3,690	(14,762)	21,856	(4,371)	17,485
Financial assets at FVOCI	1,546	(309)	1,237	(7,961)	1,592	(6,369)
Asset revaluation	(25,698)	5,140	(20,558)	-	-	-
Total	(42,604)	8,521	(34,083)	13,895	(2,779)	11,116

Reconciliation of effective tax rate

	Consolidated financial statements			
	2023	2022	2023	2022
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		720,313		526,013
Income tax using the Thai corporation tax rate	20.00	144,063	20.00	105,203
Income tax reduction - granted privileges of the exclusive development zone		(9,027)		(9,180)
Net profit from promotional privileges		(20,565)		(22,765)
Additional deducted expenses for tax purposes		(2,227)		(2,488)
Expenses not deductible for tax purposes		29,849		5,119
Recognition of previously unrecognised tax losses		(20,080)		-
Current year losses for which no deferred tax asset was recognised		350		19,142
Over provided in prior years		(86)		-
Total	16.98	122,277	18.07	95,031

Reconciliation of effective tax rate

	Separate financial statements			
	2023	2022	2023	2022
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		532,847		539,003
Income tax using the Thai corporation tax rate	20.00	106,569	20.00	107,801
Income tax reduction - granted privileges of the exclusive development zone		(9,027)		(9,180)
Dividend income exempted from income tax		(14,949)		(36,870)
Additional deducted expenses for tax purposes		(2,227)		(2,488)
Expenses not deductible for tax purposes		29,664		5,033
Over provided in prior years		(86)		-
Total	20.63	109,944	11.93	64,296

Notes to the financial statements

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Income tax reduction

According to the Royal Decree No. 727 B.E. 2564 and No. 731 B.E. 2564 dated 7 November 2021, the Group has been granted reduction in the corporate income tax rate to 3% of taxable profit, to juristic companies or partnerships whose place of business is located in the exclusive development zone and whose revenue derived from manufacturing, selling of goods or rendering services occur within the exclusive development zone, for the accounting periods starting from 1 January 2021 to 31 December 2023.

<i>Deferred tax</i> <i>At 31 December</i>	Consolidated financial statements			
	Assets		Liabilities	
	2023	2022	2023	2022
		<i>(in thousand Baht)</i>		
Total	105,601	86,802	(398,886)	(404,021)
Set off of tax	(104,087)	(86,362)	104,087	86,362
Net deferred tax assets (liabilities)	1,514	440	(294,799)	(317,659)

<i>Deferred tax</i> <i>At 31 December</i>	Separate financial statements			
	Assets		Liabilities	
	2023	2022	2023	2022
		<i>(in thousand Baht)</i>		
Total	105,784	90,934	(396,503)	(401,638)
Set off of tax	(105,784)	(90,934)	105,784	90,934
Net deferred tax liabilities	-	-	(290,719)	(310,704)

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

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	Consolidated financial statements			At 31 December
	At 1 January	(Charged) / credited to		
Deferred tax		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
2023				
Deferred tax assets				
Trade and other receivables <i>(allowance for expected credit loss)</i>	194	(61)	-	133
Inventories <i>(allowance for decline in value)</i>	353	(286)	-	67
Other current assets <i>(allowance for decline in value)</i>	112	3,406	-	3,518
Financial assets measured at FVOCI	1,712	-	(309)	1,403
Property, plant and equipment <i>(depreciation gap)</i>	11,656	2,166	-	13,822
Intra-group deferred revenue	9,228	(1,725)	-	7,503
Accrued sales promotion and marketing expenses	4,222	2,889	-	7,111
Provisions for employee benefits	59,101	8,996	3,723	71,820
Tax loss carry forward	224	-	-	224
Total	86,802	15,385	3,414	105,601
Deferred tax liabilities				
Right-of-use assets <i>(depreciation gap)</i>	(11)	(5)	-	(16)
Property, plant and equipment <i>(revaluation)</i>	(404,010)	-	5,140	(398,870)
Total	(404,021)	(5)	5,140	(398,886)
Net	(317,219)	15,380	8,554	(293,285)

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

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	Consolidated financial statements (Charged) / credited to			At 31 December
	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax				
2022				
Deferred tax assets				
Trade and other receivables (Allowance for expected credit loss)	186	8	-	194
Inventories (allowance for decline in value)	877	(524)	-	353
Other current assets (allowance for decline in value)	-	112	-	112
Financial assets measured at FVOCI	120	-	1,592	1,712
Property, plant and equipment (depreciation gap)	8,920	2,736	-	11,656
Rights-of-use assets (depreciation gap)	36	(36)	-	-
Intra-group deferred revenue	9,228	-	-	9,228
Accrued sales promotion and marketing expenses	4,731	(509)	-	4,222
Provisions for employee benefits	60,278	3,405	(4,582)	59,101
Tax loss carry forward	224	-	-	224
Total	84,600	5,192	(2,990)	86,802
Deferred tax liabilities				
Other current assets (allowance for decline in value)	(9)	9	-	-
Right-of-use assets (depreciation gap)	-	(11)	-	(11)
Property, plant and equipment (revaluation)	(404,010)	-	-	(404,010)
Total	(404,019)	(2)	-	(404,021)
Net	(319,419)	5,190	(2,990)	(317,219)

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

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<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / credited to		At 31 December
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
2023				
Deferred tax assets				
Trade account receivable, other receivables and loans <i>(Allowance for expected credit loss)</i>	4,794	(4,661)	-	133
Inventories <i>(allowance for decline in value)</i>	353	(286)	-	67
Other current assets <i>(allowance for decline in value)</i>	112	2,395	-	2,507
Financial assets measured at FVOCI	1,712	-	(309)	1,403
Investments in subsidiaries	9,200	-	-	9,200
Property, plant and equipment <i>(depreciation gap)</i>	11,656	2,166	-	13,822
Accrued sales promotion and marketing expenses	4,222	2,889	-	7,111
Provisions for employee benefits	58,885	8,966	3,690	71,541
Total	90,934	11,469	3,381	105,784
Deferred tax liabilities				
Rights-of-use assets <i>(depreciation gap)</i>	(11)	(5)	-	(16)
Property, plant and equipment <i>(revaluation)</i>	(401,627)	-	5,140	(396,487)
Total	401,638	(5)	5,140	(396,503)
Net	(310,704)	11,464	8,521	(290,719)

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

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	At 1 January	Separate financial statements (Charged) / credited to		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax				
2022				
Deferred tax assets				
Trade and other receivables (Allowance for expected credit loss)	186	4,608	-	4,794
Inventories (allowance for decline in value)	877	(524)	-	353
Other current assets (allowance for decline in value)	-	112	-	112
Financial assets measured at FVOCI	120	-	1,592	1,712
Investments in subsidiaries	-	9,200	-	9,200
Property, plant and equipment (depreciation gap)	8,920	2,736	-	11,656
Accrued sales promotion and marketing expenses	4,731	(509)	-	4,222
Rights-of-use assets (depreciation gap)	36	(36)	-	-
Provisions for employee benefits	60,035	3,221	(4,371)	58,885
Total	74,905	18,808	(2,779)	90,934
Deferred tax liabilities				
Other current assets (allowance for decline in value)	(9)	9	-	-
Rights-of-use assets (depreciation gap)	-	(11)	-	(11)
Property, plant and equipment (revaluation)	(401,627)	-	-	(401,627)
Total	(401,636)	(2)	-	(401,638)
Net	(326,731)	18,806	(2,779)	(310,704)
Unrecognised deferred tax assets			Consolidated financial statements	
			2023	2022
Tax losses			10,196	29,926

The tax losses expire in 2025 - 2027. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

23 Basic earnings (loss) per share

Basic earnings (loss) per share for the year ended 31 December 2023 and 2022 is calculated from the profit (loss) attributable to ordinary shareholders of the Company for the year and the number of ordinary shares outstanding during the year by adjusting the number of ordinary shares as a result of the changes in par value of the Company from Baht 1 per share to Baht 0.5 per share. Basic earnings (loss) per share of the previous year is recalculated as change in par value have occurred at the beginning of the first reported period. The calculation is as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<i>For the year ended 31 December</i>	<i>(in thousand Baht / thousand shares)</i>			
<i>Profit (loss) attributable to ordinary shareholders</i>				
Profit attributable to ordinary shareholders of the Company (basic)				
- Continuing Operations	<u>620,558</u>	<u>496,397</u>	<u>422,904</u>	<u>474,707</u>
Loss attributable to ordinary shareholders of the Company (basic)				
- Discontinued Operations	<u>(21,998)</u>	<u>(61,333)</u>	<u>-</u>	<u>-</u>
<i>Ordinary shares outstanding</i>				
Number of ordinary shares outstanding at 1 January	200,960	200,960	200,960	200,960
Effect of change in par value	<u>63,867</u>	<u>63,867</u>	<u>63,867</u>	<u>63,867</u>
<i>Weighted average number of ordinary shares outstanding (basic) at 31 December</i>	<u>264,827</u>	<u>264,827</u>	<u>264,827</u>	<u>264,827</u>
<i>Earnings (loss) per share (basic) (in Baht)</i>				
Continuing operations	<u>2.34</u>	<u>1.87</u>	<u>1.60</u>	<u>1.79</u>
Discontinued operations	<u>(0.08)</u>	<u>(0.23)</u>	<u>-</u>	<u>-</u>

24 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2023				
2023 Interim dividend	11 August 2023	September 2023	0.96	193
2022 Annual dividend	21 April 2023	May 2023	0.97	195
				<u>388</u>
2022				
2022 Interim dividend	26 August 2022	September 2022	0.55	110
2021 Annual dividend	26 April 2022	May 2022	0.96	193
				<u>303</u>

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

25 Financial instruments

(a) *Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

At 31 December	Note	Carrying amount				Consolidated financial statement				Fair value				
		Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
2023														
Financial assets														
Other financial assets:														
Investment in debt instruments		2,895	-	-	-	2,895	-	-	-	2,895	-	-	-	2,895
Investment in equity instruments		-	7,162	-	7,162	-	6,466	-	-	-	696	-	-	7,162
Derivatives assets		855	-	-	855	-	-	-	-	855	-	-	-	855
Total financial assets		3,750	7,162	-	10,912	-	-	-	-	-	-	-	-	-
Financial liabilities														
Long-term loans from financial institutions														
	13	-	-	(311,324)	(311,324)	-	-	-	-	(30,376)	(272,824)	-	-	(303,560)
Total financial liabilities		-	-	(311,324)	(311,324)	-	-	-	-	(30,376)	(272,824)	-	-	(303,560)
2022														
Financial assets														
Other financial assets:														
Investment in debt instruments		23,727	-	-	23,727	-	-	-	-	23,727	-	-	-	23,727
Investment in equity instruments		-	5,123	-	5,123	-	3,252	-	-	-	1,871	-	-	5,123
Total financial assets		23,727	5,123	-	28,850	-	-	-	-	23,727	1,871	-	-	25,598
Financial liabilities														
Long-term loans from financial institutions														
	13	-	-	(160,248)	(160,248)	-	-	-	-	(52,748)	(106,141)	-	-	(158,889)
Derivatives liabilities		-	-	(2,193)	(2,193)	-	-	-	-	(2,193)	-	-	-	(2,193)
Total financial liabilities		-	-	(162,441)	(162,441)	-	-	-	-	(54,941)	(106,141)	-	-	(161,082)

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

<i>At 31 December</i>	Note	Carrying amount			Separate financial statement				Fair value				
		Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<i>(in thousand Baht)</i>													
2023													
Financial assets													
Other financial assets:													
Investment in debt instruments		1,543	-	-	1,543	-	-	1,543	-	-	-	-	1,543
Investment in equity instruments		-	7,162	-	7,162	6,466	-	-	696	-	-	-	7,162
Derivatives assets		855	-	-	855	-	-	855	-	-	-	-	855
Total financial assets		2,398	7,162	-	9,560	6,466	-	2,398	696	-	-	-	9,560
Financial liabilities													
Long term loans from financial institutions													
	13	-	-	(280,000)	(280,000)	-	-	-	(272,824)	-	-	-	(272,824)
Total financial liabilities		-	-	(280,000)	(280,000)	-	-	(272,824)	-	-	-	-	(272,824)
2022													
Financial assets													
Other financial assets:													
Investment in debt instruments		990	-	-	990	-	-	990	-	-	-	-	990
Investment in equity instruments		-	5,123	-	5,123	3,252	-	-	1,871	-	-	-	5,123
Total financial assets		990	5,123	-	6,113	3,252	-	990	1,871	-	-	-	6,113
Financial liabilities													
Long term loans from financial institutions													
	13	-	-	(75,000)	(75,000)	-	-	-	(75,000)	-	-	-	(75,000)
Derivatives liabilities		-	-	(2,193)	(2,193)	-	-	(2,193)	-	-	-	-	(2,193)
Total financial liabilities		-	-	(77,193)	(77,193)	-	-	(77,193)	-	-	-	-	(77,193)

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

The Group determines Level 3 fair value for non-marketable equity securities by adjusting the net value assets or price from market at the invested date.

The Group determines Level 2 fair value for debt securities by reference to the value from Asset Management Company as following to net asset value of the reporting date and for derivatives liabilities to the value from financial institution as following to net liability value of the reporting date.

The Group determines Level 1 fair value for equity securities by reference to the closing price from Stock Exchange at the reporting date.

Fair values of current financial assets and liabilities are taken to approximate the carrying amounts because the relatively short-term maturity of these financial instruments.

Fair value of long-term loans which bear interest at floating market rate is taken to approximate the carrying amounts.

Fair values of long-term loans which bear interest at fixed rate is evaluated by discounted cash flows valuation.

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

(b.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed semiannually. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivables are disclosed in note 6.

(b.1.2) Investment in debt securities

The Group considers that all debt investments measured at amortised cost and FVOCI have low credit risk. Then the credit loss allowance assessed during the year was therefore limited to 12 months expected losses or 'low credit risk'. Marketable bonds are considered to be an investment grade credit rating published by external credit rating agencies. The credit risk of other instruments are considered to be low when the risk of default is low and the issuer has a strong capacity to meet its contractual cash flow obligations.

(b.1.3) Cash and cash equivalent

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

<i>At 31 December</i>	Consolidated financial statements				
	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 years but less than 5 years	More than 5 years	
			<i>(in thousand Baht)</i>		
2023					
<i>Non-derivative financial liabilities</i>					
Trade payables	399,607	399,607	-	-	399,607
Other payables	720,943	720,943	-	-	720,943
Short-term loans from financial institutions	105,000	105,000	-	-	105,000
Long-term loans from financial institutions	311,324	-	31,324	280,000	311,324
Lease liabilities	275,131	92,562	198,641	-	291,203
	1,812,005	1,318,112	229,965	280,000	1,828,077
2022					
<i>Non-derivative financial liabilities</i>					
Trade payables	349,574	349,574	-	-	349,574
Other payables	479,955	479,955	-	-	479,955
Short-term loans from financial institutions	227,000	227,000	-	-	227,000
Long-term loans from financial institutions	160,248	13,800	71,448	75,000	160,248
Lease liabilities	249,072	85,291	175,267	-	260,558
	1,465,849	1,155,620	246,715	75,000	1,477,335
<i>At 31 December</i>	Separate financial statements				
	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 years but less than 5 years	More than 5 years	
			<i>(in thousand Baht)</i>		
2023					
<i>Non-derivative financial liabilities</i>					
Trade payables	506,174	506,174	-	-	506,174
Other payables	695,998	695,998	-	-	695,988
Short-term loans from financial institutions	90,000	90,000	-	-	90,000
Long-term loans from financial institutions	280,000	-	-	280,000	280,000
Lease liabilities	274,689	92,430	198,298	-	290,728
	1,846,861	1,384,602	198,298	280,000	1,862,900

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

<i>At 31 December</i>	Carrying amount	Separate financial statements Contractual cash flows			Total
		1 year or less	More than 1 years but less than 5 years	More than 5 years	
<i>(in thousand Baht)</i>					
2022					
<i>Non-derivative financial liabilities</i>					
Trade payables	415,094	415,094	-	-	415,094
Other payables	469,180	469,180	-	-	469,180
Short-term loans from financial institutions	130,000	130,000	-	-	130,000
Long-term loans from financial institutions	75,000	-	-	75,000	75,000
Lease liabilities	228,185	79,280	159,768	-	239,048
	<u>1,317,459</u>	<u>1,093,554</u>	<u>159,768</u>	<u>75,000</u>	<u>1,328,322</u>

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to periodically imports certain raw materials and machineries which are denominated in foreign currencies. The Group primarily utilised forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchasing machinery, denominated in foreign currencies, for the subsequent period.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

Exposure to foreign currencies As at 31 December

	2023			2022		
	United States Dollars	Euro	Total (in thousand Baht)	United States Dollars	Euro	Total
Trade accounts payable	20,511	-	20,511	25,510	-	25,510
Other payables	1,718	14,556	16,274	196	-	196
Statement of financial position exposure	22,229	14,556	36,785	25,706	-	25,706
Forward exchange contracts	(15,702)	(12,638)	(28,340)	-	(66,900)	(66,900)
Net exposure	6,527	1,918	8,445	25,706	(66,900)	(41,194)

Exposure to foreign currencies As at 31 December

	2023			2022		
	United States Dollars	Euro	Total (in thousand Baht)	United States Dollars	Euro	Total
Trade accounts payable	20,511	-	20,511	25,510	-	25,510
Other payables	1,718	14,027	15,745	196	-	196
Statement of financial position exposure	22,229	14,027	36,256	25,706	-	25,706
Forward exchange contracts	-	(12,638)	(12,638)	-	(66,900)	(66,900)
Net exposure	22,229	1,389	23,618	25,706	(66,900)	(41,194)

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flow because loan interest rates (see note 13) are mainly variable. So, the Group is primarily exposed to interest rate risk.

<i>Exposure to interest rate risk at 31 December</i>	<i>Consolidated financial statements</i>		<i>Separate financial statements</i>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Financial instruments with variable interest rates				
Financial liabilities	31,324	52,748	-	-
Net statement of financial position exposure	31,324	52,748	-	-

Cash flow sensitivity analysis for variable-rate instruments

<i>Impact to profit or loss</i>	Consolidated financial statements		Separate financial statements	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>			
2023				
Financial instruments with variable interest rate	(313)	313	-	-
2022				
Financial instruments with variable interest rate	(527)	527	-	-

26 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital and the level of dividends to ordinary shareholders.

27 Agreements

Service agreement

On 19 December 2013, the Company entered into an agreement with a local company, whereby such company will provide services and support as necessary to assist the Company's production, distribution, marketing, promotion, and sales activities pertaining to the beverages, including maintaining the image of the Company's trademark. In consideration thereof, the Company agreed to pay the service fee in the amount as indicated in the agreement. The agreement period is five years commencing from 1 January 2014 and ending on 31 December 2018. Unless there is notification to terminate the agreement within three months before the expiry date, the agreement will be automatically renewed for successive periods of one year.

Notes to the financial statements

HaadThip Public Company Limited and its Subsidiaries

For the year ended 31 December 2023

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Commitment for machinery purchased	336,871	10,572	321,605	10,572
Commitment for construction	12,925	116,429	10,394	116,316
Commitment for building improvement	5,343	3,772	5,343	1,109
Commitment for building systems installment	24,939	198,026	24,469	197,676
Commitment for technology systems installment	7,253	265	7,253	-
Commitment for consultant contract	105	-	105	-
Total	387,436	329,064	369,169	325,673
<i>Other commitments</i>				
Forward contracts	28,340	66,900	13,638	66,900
Short-term lease and service agreements commitment	24,119	31,115	24,119	30,010
Bank guarantee	35,675	33,894	28,955	31,894
Total	88,134	131,909	66,712	128,804
<i>Bank guarantee</i>				

As at 31 December 2023, the Company had bank guarantee of Baht 13.60 million for the deferral of duties and other related expenses (2022: 13.60) as described in note 16.

Part **4**

Certification of Information and
Data Accuracy





Attachments 1

Details of Directors, Executives, Controlling Persons, the Person Taking the Highest Responsibility in Accounting and Finance, the Person Supervising Accounting, and the Company Secretary. (As of December 31, 2023)

1. GEN. CHARAN KULLAVANIJAYA

Position in Company	<ul style="list-style-type: none">▶ Chairman of the Board (Starting Date 29th April 1998, totaling 25 years)▶ Independent Director
Age	<ul style="list-style-type: none">▶ 87 years
Nationality	<ul style="list-style-type: none">▶ Thai
% of the shareholding in the Company	<ul style="list-style-type: none">▶ None (both directly and indirectly held)
Family Relationships among Directors and Executives	<ul style="list-style-type: none">▶ None
Education	<ul style="list-style-type: none">▶ Bachelor of Science, Chulachomkiao Royal Military Academy▶ The Command and General Staff College Fort Leavenworth, Kansas, USA.▶ Diploma on Economic Development, The Nation Institute of Development Administration (NIDA)▶ 30th Thailand National Defense College (NDC)
Training by the Thai Institute of Directors Association	<ul style="list-style-type: none">▶ None
Work experiences	<ul style="list-style-type: none">▶ 1987 - 2017 Special ADC to H.M. the King▶ 2006 - 2008 First Vice-President, The National Legislative Assembly▶ 1996 - 2000 Senator, Member of the Senate▶ 1992 - 1996 Senator, Member of the Senate▶ 1991 - 1996 Secretary General of the National Security Council, Office of the Prime Minister▶ 1991 - 1992 Member of the National Legislative Assembly
Directorship position of the other company	
<ul style="list-style-type: none">• Listed Companies• Non - Listed Companies	<ul style="list-style-type: none">▶ None▶ The Rajamangala University of Technology Rattanakosin 2013 - Present Chancellor of the University Council

2. MAJ. GEN. PATCHARA RATTAKUL

Position in Company	<ul style="list-style-type: none">▶ Director (Starting Date 17th March 2004, totaling 19 years)▶ Authorized Director▶ Chief Executive Officer▶ Chairman of the Sustainability Committee▶ Chairman of the Corporate Governance and Risk Management Committee
Age	▶ 61 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ 3.857%
Family Relationships among Directors and Executives	<ul style="list-style-type: none">▶ Mrs. Pariya Chirabandhu's brother▶ Cousin of Mr. Pongsakorn Thiengtham
Education	▶ B.A and M.A Philosophy Politics and Economics St. John's College, Oxford University, UK
Training by the Thai Institute of Directors Association	▶ Director Accreditation Program (DAP), 2005
Work experiences	<ul style="list-style-type: none">▶ HaadThip Public Company Limited<ul style="list-style-type: none">2019 - Present Chief Executive Officer2009 - 2019 Chief Operating Officer2003 - 2009 Advisor
Directorship position of the other company	<ul style="list-style-type: none">▶ None▶ Southern Rocks Company Limited<ul style="list-style-type: none">March 2012 - Present Director▶ HaadThip Food & Beverages Company Limited<ul style="list-style-type: none">February 2020 - Present Director▶ HaadThip Commercial Company Limited<ul style="list-style-type: none">February 2020 - Present Director▶ HaadThip Development Company Limited<ul style="list-style-type: none">December 2020 - Present Director
<ul style="list-style-type: none">• Listed Companies• Non - Listed Companies	

3. MR. PRAKIT PRADIPASEN

Position in Company	<ul style="list-style-type: none"> ▶ Director (Starting Date 17th March 1989, totaling 34 years) ▶ Independent Director ▶ Chairman of the Audit Committee
Age	▶ 81 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ None (both directly and indirectly held)
Family Relationships among Directors and Executives	▶ None
Education	<ul style="list-style-type: none"> ▶ Bachelor of Science of Business Administration Silliman University, Philippines ▶ Master of Business Administration Wayne State University, Detroit Michigan, USA ▶ City Bank Credit Trading Center, Philippines ▶ Senior Executive Program, Stanford National of Singapore, Singapore ▶ 3rd Special Program of Thailand National Defense College, Joint Public & Private Sector ▶ Program for Senior Executive The Sloan School of Management Massachusetts Institute of Technology, USA
Training by the Thai Institute of Directors Association	<ul style="list-style-type: none"> ▶ Director Accreditation Program (DAP) class 1/2003 ▶ Role of Chairman Program (RCP) class 15/2007 ▶ Thailand's 4 National Conference on Collective on Collective Action against Corruption class 1/2013
Work experiences	<ul style="list-style-type: none"> ▶ Luckytex (Thailand) Public Company Limited 2000 - 2019 Independent Director / Chairman of the Audit Committee ▶ Thai Carbon Black Public Company Limited 2000 - 2016 Independent Director / Chairman of the Audit Committee ▶ Supalai Public Company Limited 2000 - 2018 Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee ▶ Aug Thong Sugar Terminal Company Limited 2000 - 2019 Chairman

3. MR. PRAKIT PRADIPASEN (Continue)

Work experiences

- ▶ The Erawan Group Public Company Limited
2000 - 2018 Chairman of the Board /
Chairman of the Audit Committee /
Chairman of the Nominating and
Corporate Governance Committee

Directorship position of the other company

- Listed Companies

- ▶ Toray Textiles (Thailand) Public Company Limited
2019 - Present Independent Director /
Chairman of the Audit Committee
- ▶ Diamond Building Products Public Company Limited
2003 - Present Chairman of the Board
- ▶ Asian Marine Service Public Company Limited
2000 - Present Chairman of the Board /
Independent Directors
- ▶ SUSCO Public Company Limited
2000 - Present Independent Director /
Member of the Audit Committee

- Non - Listed Companies

- ▶ American University Alumni Association Language center
2019 - Present Chairman
- ▶ Rugby School Thailand
2018 - Present Director
- ▶ Pattaya Grand Village Company Limited
2003 - Present Director
- ▶ Myriad Material Company Limited
2002 - Present Director

4. MR. PHILIPP HUGO GUTSCHE

Position in Company	<ul style="list-style-type: none"> ▶ Director (Starting Date 30th November 2005, totaling 18 years) ▶ Member of the Nomination and Remuneration Committee
Age	▶ 85 years
Nationality	▶ South African
% of the shareholding in the Company	▶ 0.132%
Family Relationships among Directors and Executives	▶ None
Education	▶ Bachelor of Commerce University of Cape Town, South Africa
Training by The Thai Institute of Directors Association	▶ None
Work experiences	<ul style="list-style-type: none"> ▶ Coca-Cola Sabco (Pty) Ltd. July 1962 - July 2016 Chairman
Directorship position of the other company	
<ul style="list-style-type: none"> • Listed Companies • Non - Listed Companies 	<ul style="list-style-type: none"> ▶ None ▶ Coca-Cola Beverages Africa (Pty) Ltd. July 2016 - Present Director ▶ Gutsche Investment and Management Company (Pty) Ltd. September 1976 - Present Director ▶ Gutsche Family Investments (Pty) Ltd. July 1972 - Present Director

5. MR. JOHAN WILLEM MAARTEN JANSEN

Position in Company	<ul style="list-style-type: none"> ▶ Director (Starting Date 21st March 2006, totaling 17 years) ▶ Independent Director
Age	▶ 65 years
Nationality	▶ Netherlands
% of the shareholding in the Company	▶ None (both directly and indirectly held)
Family Relationships among Directors and Executives	▶ None
Education	<ul style="list-style-type: none"> ▶ Marketing Degree, HEAO-GRONINGEN (Higher studies Economics and Administration) ▶ NIMA-C Certificate, NIMA (Highest marketing diploma in the Netherlands) ▶ Kellogg School of Management - Northwestern University, Advanced Executive Program 1996 ▶ Non-Executive Director Diploma-Financial Times/EY London 2014
Training by the Thai Institute of Directors Association	▶ None
Work experiences	<ul style="list-style-type: none"> ▶ The Coca-Cola AMATIL January 2001 - May 2018 Non-Executive Director ▶ The Coca-Cola Company (China & Southeast Asia) January 2010 - May 2018 Region Director & Chairman ▶ Coca-Cola Industries Ltd., China January 2010 - May 2018 Chief Executive Officer ▶ Coca-Cola SABCO October 1998 - December 2007 Chief Executive Officer
Directorship position of the other company	
• Listed Companies	<ul style="list-style-type: none"> ▶ The KINGFISCH Company BV November 2020 - Present Non-Executive Director
• Non - Listed Companies	<ul style="list-style-type: none"> ▶ MarketMakers BV September 2021 - Present Executive Director ▶ Pure the Winery January 2019 - Present Executive Director ▶ Equatorial Coca-Cola Bottling Company July 2017 - Present Non-Executive Director ▶ MYCO Management Consulting July 2017 - Present Executive Director

6. MR. YANYONG MAETHAPANICH

Position in Company	<ul style="list-style-type: none"> ▶ Director (Starting Date 5th November 1999, totaling 24 years) ▶ Independent Director ▶ Member of the Audit Committee ▶ Chairman of the Nomination and Remuneration Committee ▶ Member of the Corporate Governance and Risk Management Committee
Age	▶ 57 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ None (both directly and indirectly held)
Family Relationships among Directors and Executives	▶ None
Education	<ul style="list-style-type: none"> ▶ Bachelor of Accounting, Prince of Songkhla University ▶ Master of Business Administration, Prince of Songkhla University
Training by the Thai Institute of Directors Association	<ul style="list-style-type: none"> ▶ Role of the Compensation Committee (RCC), year 2012 ▶ Director Accreditation Program (DAP), year 2005 ▶ How to Develop a Risk Management Plan (HRP), year 2018 ▶ Ethical Leadership Program (ELP), Class 24/2021
Work experiences	<ul style="list-style-type: none"> ▶ A.C. Venture Cap Company Limited 2022 - Present Director ▶ Isara Advisory Office Company Lomited 1995 - Present Director ▶ INTADIT C.P.A. Office Company Limited 1995 - Present Director / Managing Director
Directorship position of the other company	
<ul style="list-style-type: none"> • Listed Companies • Non - Listed Companies 	<ul style="list-style-type: none"> ▶ None ▶ A.C. Venture Cap Company Limited 2022 - Present Director ▶ Isara Advisory Office Company Lomited 1995 - Present Director ▶ INTADIT C.P.A. Office Company Limited 1995 - Present Director / Managing Director

7. MRS. PARIYA CHIRABANDHU

Position in Company	<ul style="list-style-type: none"> ▶ Director (Starting Date 29th March 1993, totaling 30 years) ▶ Authorized Director ▶ Member of the Nomination and Remuneration Committee ▶ Senior Vice President 						
Age	▶ 62 years						
Nationality	▶ Thai						
% of the shareholding in the Company	▶ 15.393% (Inclusive of shares held by spouse)						
Family Relationships among Directors and Executives	<ul style="list-style-type: none"> ▶ Maj. Gen. Patchara Rattakul's sister ▶ Cousin of Mr. Pongsakorn Thiengtham 						
Education	▶ Bachelor of Arts, Boston University, USA						
Training by the Thai Institute of Directors Association	<ul style="list-style-type: none"> ▶ Director Accreditation Program (DAP), year 2005 ▶ Role of the Compensation Committee (RCC), year 2012 ▶ Strategic Board Master, Class 5/2018 ▶ Strategic Board Master, Class 9/2020 						
Work experiences	<ul style="list-style-type: none"> ▶ HaadThip Public Company Limited (Working experience with HaadThip Public Company Limited 39 years) <table style="margin-left: 40px; border: none;"> <tr> <td style="padding-right: 20px;">2022 - Present</td> <td>Senior Vice President</td> </tr> <tr> <td>2019 - 2022</td> <td>President</td> </tr> <tr> <td>2005 - 2019</td> <td>Senior Vice President</td> </tr> </table>	2022 - Present	Senior Vice President	2019 - 2022	President	2005 - 2019	Senior Vice President
2022 - Present	Senior Vice President						
2019 - 2022	President						
2005 - 2019	Senior Vice President						
Directorship position of the other company							
<ul style="list-style-type: none"> • Listed Companies • Non - Listed Companies 	<ul style="list-style-type: none"> ▶ None ▶ HaadThip Development Company Limited December 2020 - Present Director ▶ HaadThip Food & Beverages Company Limited February 2020 - Present Director ▶ HaadThip Commercial Company Limited February 2020 - Present Director ▶ Southern Rocks Company Limited March 2012 - Present Director ▶ AC Worldwide Company Limited 2009 - Present Director ▶ Thai Beverage Industry Association 2008 - Present Director 						

8. M.L. DHISANA SRITAVAJ

Position in Company	▶ Director (Starting Date 30 th November 2005, totaling 18 years)
Age	▶ 60 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ 1.584% (Inclusive of shares held by spouse)
Family Relationships among Directors and Executives	▶ None
Education	▶ Master's Degree (Engineering Management) George Washington University, Washington DC, U.S.A.
Training by the Thai Institute of Directors Association	▶ None
Work experiences	▶ Suvarnabhumi Marketing Company Limited 2009 - Present General Manager ▶ Isapa Asia (Thailand) Company Limited 2009 - 2010 General Manager ▶ Ton Ya Thai Company Limited 2002 - 2008 Marketing Director
Directorship position of the other company	
• Listed Companies	▶ None
• Non - Listed Companies	▶ None

9. MR. DUMRONGRUGS APIBALSAWASDI

Position in Company	<ul style="list-style-type: none"> ▶ Director (Starting Date 20th May 2009, totaling 14 years) ▶ Authorized Director ▶ Member of the Sustainability Committee ▶ Member of the Corporate Governance and Risk Management Committee ▶ Senior Vice President (Corporate Affairs)
Age	▶ 61 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ None (both directly and indirectly held)
Family Relationships among Directors and Executives	▶ None
Education	▶ Bachelor of Political Science, Chulalongkorn University
Training by the Thai Institute of Directors Association	<ul style="list-style-type: none"> ▶ Strategic Board Member, Class 5/2018 ▶ Ethical Leadership Program (ELP), Class 24/2021
Work experiences	<ul style="list-style-type: none"> ▶ HaadThip Public Company Limited <ul style="list-style-type: none"> 2019 - Present Senior Vice President (Corporate Affairs) 2012 - 2019 Vice President (Sales & Marketing) 2007 - 2012 Sales and Marketing Director 2004 - 2007 Marketing Director
Directorship position of the other company	<ul style="list-style-type: none"> ▶ None ▶ HaadThip Commercial Company Limited January 2020 - Present Director
<ul style="list-style-type: none"> • Listed Companies • Non - Listed Companies 	

10. MRS. KERRY-ANN SHIPP

Position in Company	<ul style="list-style-type: none"> ▶ Director (Starting Date 21st October 2019, totaling 4 years)
Age	<ul style="list-style-type: none"> ▶ 52 years
Nationality	<ul style="list-style-type: none"> ▶ South African
% of the shareholding in the Company	<ul style="list-style-type: none"> ▶ None (both directly and indirectly held)
Family Relationships among Directors and Executives	<ul style="list-style-type: none"> ▶ None
Education	<ul style="list-style-type: none"> ▶ Bachelor of Commerce Degree (Cum Laude) - 1991 Nelson Mandela Metropolitan University, South Africa ▶ Bachelor of Commerce Honours Degree - 1992 Nelson Mandela Metropolitan University, South Africa
Training by the Thai Institute of Directors Association	<ul style="list-style-type: none"> ▶ Director Accreditation Program (DAP), Class 203/2023
Work experiences	<ul style="list-style-type: none"> ▶ Coca-Cola Beverages Africa / Coca-Cola Sabco December 2012 - June 2017 Group Financial Controller ▶ Coca-Cola Sabco April 2005 - November 2012 Group Governance Manager ▶ Gutsche Family Investments (Pty) Ltd. July 2017 - Present Director of the Family Office
Directorship position of the other company	
<ul style="list-style-type: none"> • Listed Companies • Non - Listed Companies 	<ul style="list-style-type: none"> ▶ None ▶ Coca-Cola Beverages Africa Pty Ltd.

11. MR. PONGSAKORN THIENGTHAM

Position in Company	<ul style="list-style-type: none"> ▶ Director (Starting Date 1st June 2022, totaling 1 years 7 months)
Age	<ul style="list-style-type: none"> ▶ 61 years
Nationality	<ul style="list-style-type: none"> ▶ Thai
% of the shareholding in the Company	<ul style="list-style-type: none"> ▶ 0.060% (Inclusive of shares held by spouse)
Family Relationships among Directors and Executives	<ul style="list-style-type: none"> ▶ Cousin of Maj. Gen. Patchara Rattakul and Mrs. Pariya Chirabandhu
Education	<ul style="list-style-type: none"> ▶ BSc., Electrical Engineering, New Jersey Institute of Technology
Work experiences	<ul style="list-style-type: none"> ▶ MBA Finance & International Business, Sasin Graduate Institute of Business Administration
Training by the Thai Institute of Directors Association	<ul style="list-style-type: none"> ▶ Director Certification Program (DCP), year 2002 ▶ Director Leadership Certification Program (DLCP), Class 6/2022 ▶ Risk Management Program for Corporate Leaders (RCL), 32/2023
Work experiences	<ul style="list-style-type: none"> ▶ Castle Partners Company Limited 2016 - Present Partner ▶ PPK Partners Company Limited 2012 - Present Partner ▶ CPN REIT Management Company Limited 2017 - 2019 Advisor to the Board of Directors ▶ Syrus Securities Public Company Limited 2004 - 2008 President, Corporate Finance and Capital Markets
Directorship position of the other company	<ul style="list-style-type: none"> • Listed Companies • Non - Listed Companies
	<ul style="list-style-type: none"> ▶ None ▶ HaadThip Food and Beverages Company Limited 2020 - Present Director ▶ HaadThip Commercial Company Limited 2020 - Present Director ▶ HaadThip Development Company Limited 2020 - Present Director ▶ CPN REIT Management Company Limited 2019 - Present Independent Director ▶ Castle Partners Company Limited 2016 - Present Director ▶ PPK Partners Company Limited 2012 - Present Director

12. POL. GEN. JARUVAT VAISAYA

Position in Company	<ul style="list-style-type: none"> ▶ Director (Starting Date 1st June 2022, totaling 1 years 7 months)
Age	▶ 63 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ None (Both directly and indirectly held)
Family Relationships among Directors and Executives	▶ None
Education	<ul style="list-style-type: none"> ▶ Armed Forces Academies Preparatory School (Class 21) ▶ Bachelor of Public Administration, Royal Police Cadet Academy (Class 37) ▶ Master of Public Administration, University of San Diego, USA. ▶ Doctor of Philosophy, Criminal Justice Administration and Society, Suan Dusit Rajabhat University
Training by the Thai Institute of Directors Association	▶ Director Certification Program (DCP), Class 322/2022
Work experiences	<ul style="list-style-type: none"> ▶ Krungthai Asset Management Public Company Limited. 2023 - Present Advisor 2018 - 2023 Director / Member of the Audit Committee ▶ BTS Group Holdings Public Company Limited. 2021 - Present Advisor to CEO ▶ Royal Thai Police. 2021 Special Advisor of Royal Thai Police 2020 Assistant Commissioner General ▶ Prime Minister's Delivery Unit. 2019 - 2022 Deputy Director of Prime Minister's Delivery Unit
Directorship position of the other company	
<ul style="list-style-type: none"> • Listed Companies • Non - Listed Companies 	<ul style="list-style-type: none"> ▶ None ▶ HaadThip Development Company Limited 2023 - Present Director ▶ Visaya Consulting Company Limited 2021 - Present Director ▶ Jiva Residences Company Limited 2020 - Present Director

13. MR. SWIN CHATSUWAN

Position in Company	<ul style="list-style-type: none">▶ Director (Starting Date 26th July 2022, totaling 1 years 6 months)▶ Independent Director▶ Member of the Audit Committee
Age	<ul style="list-style-type: none">▶ 60 years
Nationality	<ul style="list-style-type: none">▶ Thai
% of the shareholding in the Company	<ul style="list-style-type: none">▶ None (both directly and indirectly held)
Family Relationships among Directors and Executives	<ul style="list-style-type: none">▶ None
Education	<ul style="list-style-type: none">▶ Bachelor's Degree in Accounting and Finance from Loughborough University, United Kingdom▶ Master's degree in Economics from London School of Economics, United Kingdom
Training by the Thai Institute of Directors Association	<ul style="list-style-type: none">▶ Director Accreditation Program (DAP), Class 203/2023
Work experiences	<ul style="list-style-type: none">▶ Zapp Scooters (Thailand) Company Limited 2018 - Present Chief Executive Officer▶ Zapp Electric Vehicles Limited, United Kingdom 2017 - Present Chief Executive Officer▶ Paragon Partners Company Limited 1996 - Present Chief Executive Officer▶ NatWest Group, Thailand 1995 - 1996 Managing Director▶ CLSA Limited, Thailand 1990 - 1995 Managing Director (Country Managing Director)
Directorship position of the other company	
<ul style="list-style-type: none">• Listed Companies• Non-Listed Companies	<ul style="list-style-type: none">▶ None▶ Zapp Scooters (Thailand) Company Limited 2018 - Present Director▶ Zapp Electric Vehicles Limited, United Kingdom 2017 - Present Director▶ Paragon Partners Company Limited 1996 - Present Director

14. MR. PAKORN SUKHUM

Position in Company	<ul style="list-style-type: none"> ▶ Director (Starting Date 2^{6th} July 2022, totaling 1 years 6 months)
Age	▶ 62 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ 0.159% (Inclusive of shares held by spouse)
Family Relationships among Directors and Executives	▶ None
Education	<ul style="list-style-type: none"> ▶ Bachelor's Degree, BSc.,(Hons) Biochemistry, Royal Holloway, University of London, United Kingdom ▶ Master's Degree, Master of Business Administration Program - Finance and International Business Sasin Graduate Institute of Business Administration of Chulalongkorn University
Training by the Thai Institute of Directors Association	<ul style="list-style-type: none"> ▶ Director Certification Program (DCP), Class 133/2010 ▶ Financial Statement for Director (FSD), Class 30/2016 ▶ Advanced Audit Committee (AACP), Class 46/2022
Work experiences	<ul style="list-style-type: none"> ▶ Premier Products Public Company Limited 2018 - 2022 Director / Chairman of the Executive Committee / Chief Executive Officer ▶ Castle Partners Company Limited 2016 - 2023 Director ▶ Akara Resources Public Company Limited 2010 - 2015 Chief Executive Officer ▶ Royal Porcelain Public Company Limited 2003 - 2009 Executive Vice President
Directorship position of the other company	<ul style="list-style-type: none"> ▶ None ▶ MITR Technical Consultant Company Limited 2019 - Present Director
<ul style="list-style-type: none"> • Listed Companies • Non-Listed Companies 	

15. MR. JOSE HENRIQUE ZEITUNE

Position in Company	<ul style="list-style-type: none"> ▶ Chief Operating Officer (COO) ▶ Member of the Sustainability Committee
Age	▶ 59 years
Nationality	▶ Brazilian
% of the shareholding in the Company	▶ 0.004%
Family Relationships among Directors and Executives	▶ None
Education	▶ Master of Business Administration (MBA), Fundacao Dom Cabral, Brazil
Training by the Thai Institute of Directors Association	▶ None
Work experiences	<ul style="list-style-type: none"> ▶ HaadThip Public Company Limited. <ul style="list-style-type: none"> 2021- Present Chief Operating Officer 2019 - 2020 Senior Vice President (Commercial & Growth Strategy) ▶ COCA-COLA THAILAND. <ul style="list-style-type: none"> July 2013 - August 2018 Franchise Director, Southern Thailand and LAOS ▶ COCA-COLA THAILAND seconded to ThaiNamthip Ltd. <ul style="list-style-type: none"> May 2011 - July 2013 Strategic Planning Director
Directorship position of the other company	
<ul style="list-style-type: none"> • Listed Companies • Non - Listed Companies 	<ul style="list-style-type: none"> ▶ None ▶ None

16. MR. JOHN JOSEPH BENEDETTI

Position in Company	▶ Senior Vice President (Supply Chain)
Age	▶ 58 years
Nationality	▶ British
% of the shareholding in the Company	▶ None (both directly and indirectly held)
Family Relationships among Directors and Executives	▶ None
Education	▶ St. Joseph's College of Further Education, Glasgow, Scotland, UK
Training by the Thai Institute of Directors Association	▶ None
Work experiences	<ul style="list-style-type: none"> ▶ HaadThip Public Company Limited <ul style="list-style-type: none"> 2015-Present Senior Vice President (Supply Chain) 2014 - 2015 Vice President 2006 - 2014 Operations Director ▶ Scarlet Ibis investments Coca-Cola Southern Africa Operations Manager - Highveld Bottling ▶ TJC Holding (PYT) Ltd. <ul style="list-style-type: none"> - Operations Manager - Highveld Bottling - Production Manager - Highveld Bottling ▶ Coca-Cola Sabco Bottling Managing ▶ Bass Clarington Breweries, London, UK Installation Technician
Directorship position of the other company	
• Listed Companies	▶ None
• Non - Listed Companies	▶ None

17. Mr. Timothy Edward Doyle

Position in Company	▶ Senior Vice President (Makro, Wholesale KA, Customer Service System)
Age	▶ 62 years
Nationality	▶ Australian
% of the shareholding in the Company	▶ None (both directly and indirectly held)
Family Relationships among Directors and Executives	▶ None
Education	▶ Bachelor of Arts - Speech Communication & Business Marketing, San Jose State University, San Jose California USA
Training by the Thai Institute of Directors Association	▶ None
Work experiences	<ul style="list-style-type: none"> ▶ HaadThip Public Company Limited <ul style="list-style-type: none"> January 2022 - Present Senior Vice President (Makro, Wholesale KA, Customer Service System) January 2020 - December 2021 Vice President (Makro, Wholesale KA, Customer Service System) April 2017 - January 2020 Vice President (Customer Service System & Indirect Channel) 2014 - March 2017 Customer Service System Director 2006 - 2014 Operations Director ▶ TCCC, Coca-Cola Southeast Asia Service Company (Coca-Cola Company Asia) <ul style="list-style-type: none"> 2011 - 2013 Lao Project Manager - Franchise Director Southern Thailand ▶ Coca-Cola Southeast Asia Service Company (Coca-Cola Company Asia) <ul style="list-style-type: none"> 2002 - 2010 Country Manager PNG & Pacific Island
Directorship position of the other company	
• Listed Companies	▶ None
• Non - Listed Companies	▶ None

18. MR. VORANIN ASADAMONGKOL

Position in Company	▶ Senior Vice President (TT-DSD, Wholesales, HORECA, Tele-sales, Vending and Sales Capability)
Age	▶ 49 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ 0.056%
Family Relationships among Directors and Executives	▶ None
Education	▶ MBA Major Of Marketing and Strategic Management, University of Southern New Hampshire, USA
Training by the Thai Institute of Directors Association	▶ None
Work experiences	▶ HaadThip Public Company Limited January 2022 - Present Senior Vice President (TT-DSD, Wholesales, HORECA, Tele-sales, Vending and Sales Capability) January 2020 - December 2021 Vice President (TT-DSD, Wholesales, HORECA, Tele-sales, Vending and Sales Capability) May 2019 - January 2020 Vice President (HORECA, Sustainability)
Directorship position of the other company	▶ Siam GS sales Company Limited 2015 - 2019 Managing Director
• Listed Companies	▶ None
• Non - Listed Companies	▶ None

19. MR. THAKERNG KANCHANA

Position in Company	▶ Vice President (CDE & Construction)
Age	▶ 68 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ 0.060%
Family Relationships among Directors and Executives	▶ None
Education	▶ Bachelor of Engineering, Chulalongkorn University ▶ Master of Public Administration, National Institute of Development Administration (NIDA)
Training by the Thai Institute of Directors Association	▶ None
Work experience	▶ HaadThip Public Company Limited 2015 - Present Vice President (CDE & Construction) 2004 - 2015 Plant Director 1995 - 2004 Plant Division Manager
Directorship position of the other company	
• Listed Companies	▶ None
• Non - Listed Companies	▶ None

20. MR. THONGCHAI UNCHURIT

Position in Company	▶ Vice President (General Administration & Government Relations)
Age	▶ 70 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ 0.005%
Family Relationships among Directors and Executives	▶ None
Education	▶ Bachelor of Economics, Ramkhamhaeng University ▶ Master of Public Administration, National Institute of Development Administration (NIDA)
Training by the Thai Institute of Directors Association	▶ None
Work experience	▶ HaadThip Public Company Limited July 2016 - Present Vice President (General Administration & Government Relations) 2007 - June 2016 General Administration Director 2004 - 2006 General Administration manager 2002 - 2003 Asst. Marketing Manager
Directorship position of the other company	
• Listed Companies	▶ None
• Non - Listed Companies	▶ Southern Rocks Company Limited March 2012 - Present Director

21. MR. RICCARDO VRODOM SUCHARITKUL

Positions in Company	▶ Vice President (Corporate Strategy)
Age	▶ 46 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ 0.057%
Family Relationships among Directors and Executives	▶ None
Education	▶ M.A. Law, Bristol University, UK 2002-2004 ▶ B.A. Classics, Amherst College, Mass., USA 1996-2000 ▶ Harrow School, Middlesex, UK 1990 - 1995
Training by The Institute of Directors Association	▶ None
Work experience	▶ HaadThip Public Company Limited January 2020 - Present Vice President (Corporate Strategy) August 2019 - January 2020 Vice President (Future Growth and Diversification) ▶ CANADOIL Group of Companies 2009 - 2017 Chief Corporate Officer ▶ Bank of Thailand 2000 - 2009 Senior Analyst, Financial Risk Management and Operations Group
Directorship position of the other company	
• Listed Companies	▶ None
• Non - Listed Companies	▶ Southern Rocks Company Limited November 2020 - Present Director ▶ HaadThip Food & Beverages Company Limited February 2020 - Present Director ▶ HaadThip Commercial Company Limited February 2020 - Present Director ▶ HaadThip Development Company Limited December 2020 - Present Director ▶ KindeeYudee 2020 Company Limited February 2020 - Present Director

22. MISS SARUNLUCK THEPWARIN

Positions in Company	▶ Vice President (Modern Trade)
Age	▶ 55 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ 0.035%
Family Relationships among Directors and Executives	▶ None
Education	▶ Ph.D. (Business Administration) Institute of International Studies, Ramkhamhaeng University ▶ Master of Public Administration (Public Administration) National Institute of Development Administration ▶ M.B.A. International Business Lincoln University, U.S.A.
Training by The Institute of Directors Association	▶ None
Work experience	▶ HaadThip Public Company Limited January 2020 - Present Vice President (Modern Trade) July 2016 - January 2020 Director - National Accounts May 2015 - June 2016 Senior Manager - National Accounts
Directorship position of the other company	
• Listed Companies	▶ None
• Non - Listed Companies	▶ None

23. MR. PUTTAPORN RAJPRICHA

Position in Company	▶ Vice President (Human Resources)
Age	▶ 54 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ None (both directly and indirectly held)
Family Relationships among Directors and Executives	▶ None
Education	▶ Master's Degree of Science, Industrial Relations, University of New Haven, Connecticut, U.S.A.
Training by the Thai Institute of Directors Association	▶ None
Work experience	▶ HaadThip Public Company Limited March 2020 - Present Vice President (Human Resources) ▶ G4S Security Services (Thailand) Co., Ltd January 2018 - May 2019 Human Resources Director ▶ DHL Supply Chain (Thailand) Company Limited January 2015 - January 2018 Human Resources Director
Directorship position of the other company	
• Listed Companies	▶ None
• Non - Listed Companies	▶ None

24. MR. SEKSAN PHETSUT

Position in Company	▶ Vice President (Operation)												
Age	▶ 57 years												
Nationality	▶ Thai												
% of the shareholding in the Company	▶ 0.010%												
Family Relationships among Directors and Executives	▶ None												
Education	▶ Bachelor of Engineering (Mechanical Engineering) Rajamangala University of Technology Sriwichai												
Training by the Thai Institute of Directors Association	▶ None												
Work experience	▶ HaadThip Public Company Limited <table> <tr> <td>March 2020 - Present</td> <td>Vice President (Operation)</td> </tr> <tr> <td>May 2015 - March 2020</td> <td>Plant Director</td> </tr> <tr> <td>December 2014 - May 2015</td> <td>Senior Plant Division Manager</td> </tr> <tr> <td>July 2012 - November 2014</td> <td>Plant Division Manager</td> </tr> <tr> <td>July 2009 - June 2012</td> <td>Deputy Plant Division Manager</td> </tr> <tr> <td>July 2005 - June 2009</td> <td>Production Department Manager</td> </tr> </table>	March 2020 - Present	Vice President (Operation)	May 2015 - March 2020	Plant Director	December 2014 - May 2015	Senior Plant Division Manager	July 2012 - November 2014	Plant Division Manager	July 2009 - June 2012	Deputy Plant Division Manager	July 2005 - June 2009	Production Department Manager
March 2020 - Present	Vice President (Operation)												
May 2015 - March 2020	Plant Director												
December 2014 - May 2015	Senior Plant Division Manager												
July 2012 - November 2014	Plant Division Manager												
July 2009 - June 2012	Deputy Plant Division Manager												
July 2005 - June 2009	Production Department Manager												
Directorship position of the other company													
• Listed Companies	▶ None												
• Non - Listed Companies	▶ None												

25. MRS. ARISA PUKDEEMAKANON

Position in Company	▶ Vice President (Commercial Operations)
Age	▶ 46 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ 0.050%
Family Relationships among Directors and Executives	▶ None
Education	▶ Bachelor of Arts, Columbia College Chicago, U.S.A.
Training by the Thai Institute of Directors Association	▶ None
Work experiences	▶ HaadThip Public Company Limited January 2022 - Present Vice President (Commercial Operations) January 2020 - December 2021 Assistant Vice President (Commercial Operations) September 2018 - January 2020 Director (Revenue Growth Management and Commercial) May 2015 - September 2018 Senior Marketing Manager
Work experiences	
• Listed Companies	▶ None
• Non - Listed Companies	▶ None

26. MR. TAWEEDET JANMEEON

Position in Company	▶ Assistant Vice President (TT/DSD, Wholesale, Sales Operation)
	▶ Director (TT/DSD)
Age	▶ 65 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ 0.053%
Family Relationships among Directors and Executives	▶ None
Education	▶ Vocational Certificate, Bangkok mechanical school
Training by the Thai Institute of Directors Association	▶ None
Work experiences	▶ HaadThip Public Company Limited
	January 2022 - Present Assistant Vice President (TT/DSD, Wholesale TT, Sales Operation) / Director (TT/DSD)
	August 2020 - December 2021 Pre-sale / DSD Director and Acting HORECA Director
	June 2014 - August 2020 Sales Director
	June 2008 - May 2014 Senior Sales Manager Division
Work experiences	
• Listed Companies	▶ None
• Non - Listed Companies	▶ None

27. MR. THAKSAPOL RORDPON

Position in Company	▶ Managing Director, Haadthip Logistics
Age	▶ 59 years
Nationality	▶ Thai
% of the shareholding in the Company	▶ 0.047 %
Family Relationships among Directors and Executives	▶ None
Education	▶ Bachelor of Political Science, Ramkhamhaeng University
Training by the Thai Institute of Directors Association	▶ None
Work experiences	▶ Haadthip Public Company Limited February 2020- Present Managing Director Haadthip Logistics May 2018-January2020 Operation Director
Work experiences	
• Listed Companies	▶ None
• Non - Listed Companies	▶ None

Detail of the Person Taking the Highest Responsibility in Accounting and Finance

MR. AMRIT KUMAR SHRESTHA

Position in Company	<ul style="list-style-type: none"> ▶ Chief Financial Officer (CFO) (The person taking the highest responsibility in finance and accounting, starting date 7th December 2020, totaling 3 years)
Age	▶ 54 years
Nationality	▶ Nepal
% of the shareholding in the Company	▶ NVDR: 196,000 Shares
Family Relationships among Directors and Executives	▶ None
Education	▶ Bachelor's Degree in Management, Tribhuvan University, Nepal
Training by the Thai Institute of Directors Association/ Other	<ul style="list-style-type: none"> ▶ CFO training course (CFO Refresher course) in 2023 ▶ CFO training course (CFO Refresher course) in 2022 ▶ Accounting and Finance Preparation CFO's orientation by SET ▶ TLCA CFO Professional Development Program (TLCA CFO CPD) No. 4/2021 "How finance leaders are adapting within the new normal" ▶ TLCA CFO Professional Development Program (TLCA CFO CPD) No. 5/2021 "Fraud & Cyber Security Risk" ▶ TLCA CFO Professional Development Program (TLCA CFO CPD) No. 6/2021 "ESG Integration in Sustainable Investing"
Refresh (hours)	▶ 6 hours
Work experiences	<ul style="list-style-type: none"> ▶ HaadThip Public Company Limited December 2020 - present Chief Financial Officer (CFO) ▶ Coca-Cola Thailand May 2015 - November 2020 Regional Finance Director / Chief Financial Officer for Thailand, Laos, and Myanmar ▶ The Coca-Cola Company August 2011 - April 2015 Regional Finance Director for Singapore, Malaysia, and Brunei July 2008 - July 2011 Regional Finance Director for Indonesia and PNG ▶ TCCC and Nestle Joint Venture June 2004 - June 2008 Finance Director, Water Business JV in Indonesia ▶ The Coca-Cola Company Bottling Operations 1996 - 2004 Bottling Financial leadership roles in Vietnam 1994 - 1995 Finance and Admin Manager, Cambodia Bottling Business 1988 - 1994 Finance Manager, Nepal Bottling
Directorship position of the other company	<ul style="list-style-type: none"> ▶ None ▶ None
<ul style="list-style-type: none"> • Listed Companies • Non - Listed Companies 	<ul style="list-style-type: none"> ▶ None ▶ None

Details of Company Secretary

MISS MARISA SANGVORANIT

Position in Company	<ul style="list-style-type: none">▶ Company Secretary (Starting Date 1st April 2022, totaling 1 year 9 months)
Age	<ul style="list-style-type: none">▶ 46 years
Nationality	<ul style="list-style-type: none">▶ Thai
% of the shareholding in the Company	<ul style="list-style-type: none">▶ 0.0025%
Family Relationships among Directors and Executives	<ul style="list-style-type: none">▶ None
Education	<ul style="list-style-type: none">▶ Master's Degree in Business Administration, Faculty of Business Administration, University of Oregon, USA▶ Bachelor's Degree in Operation Management, Faculty of Business Administration, Kasetsart University
Training by the Thai Institute of Directors Association	<ul style="list-style-type: none">▶ Company Secretary Program - Class CSP 128/2022
Training by Thai Listed Companies Association	<ul style="list-style-type: none">▶ Company Secretary Development Program for 2023
Work experiences	<ul style="list-style-type: none">▶ HaadThip Public Company Limited March 2022 - Present Company Secretary▶ Assetwise Public Company Limited 2021 Deputy Chief Officer of Investor Relations▶ Country Group Development Public Company Limited 2018 - 2020 Assistant Director of Investor Relations▶ King Wai Group Public Company Limited 2016 - 2018 Assistant Vice President- Organizational Development and Research Development▶ Keppel Thai Properties Public Company Limited 2013 - 2016 Assistant Vice President- Organization Development and Research Development
Directorship position of the other company	
<ul style="list-style-type: none">• Listed Companies	<ul style="list-style-type: none">▶ None
<ul style="list-style-type: none">• Non - Listed Companies	<ul style="list-style-type: none">▶ None



Attachment 1

Detail of Directors, Executives and Controlling Persons who are Directors or Executives in Subsidiaries or Associate Companies as of 31st December 2023

Name-Surname	HaadThip	Subsidiaries				
	Public Company Limited	Southern Rock Co., Ltd.	HaadThip Food and Beverages Co., Ltd.	HaadThip Commercial Co., Ltd.	HaadThip Development Co., Ltd.	Kindeeyudee 2020 Co., Ltd.
1. Maj. Gen. Patchara Rattakul	//	/	/	/	/	
2. Mrs. Pariya Chirabhandhu	//	/	/	/	/	
3. Mr. Dumrongrugs Apibalsawasdi	//			//		
4. Mr. Pongsakorn Thiengtham	/		/	/	/	/
5. Pol. Gen. Jaruvat Vaisaya	/				/	
6. Mr. Riccardo Vrodom Sucharitkul	M	/	/	/	/	/
7. Mr. Thongchai Unchurit	M	/				

/ = Director

// = Executive Director

M = Executive



Attachment 2

Details of Directors of Subsidiaries as of 31st December 2023

Name-Surname	Subsidiaries			
	HaadThip Food and Beverages Co., Ltd.	HaadThip Commercial Co., Ltd.	HaadThip Development Co., Ltd.	Kindeeyudee 2020 Co., Ltd.
1. Maj. Gen. Patchara Rattakul	/	/	/	
2. Mrs. Pariya Chirabhandhu	/	/	/	
3. Mr. Dumrongrugs Apibalsawasdi		/		
4. Mr. Pongsakorn Thiengtham	/	/	/	/
5. Pol. Gen. Jaruvat Vaisaya			/	
6. Mr. Riccardo Vrodom Sucharitkul	/	/	/	/
7. Mr. Sarapat Thiengtham	/			/
8. Mr. Ekachai Pukdeemakanon			/	
9. Mrs. Yupaphan Ekasittikul				/



Attachment 3

Details of Head of Internal Audit

MRS. ARUNEE PRADUPPETH

Position in Company	▶ Internal Audit Division Manager (Starting Date 3 rd January 2017, totaling 6 years)
Age	▶ 51 years
Nationality	▶ Thai
% Of the shareholding in the Company	▶ None (both directly and indirectly held)
Family Relationships among Directors and Executives	▶ None
Education	▶ Bachelor's Degree (Accounting) Sukhothai Thammathirat Open University
Training by the Thai Institute of Directors Association and other institutions	▶ Federation of Accounting Professions under royal Patronage - IACP (Internal Auditing Certificate Program) - Chief Audit Executive Professional Leadership Program ▶ The Thai Institute of Directors Association - 200 companies and the future of Thai private sector cooperation in anti-corruption
Work experience	
• 12 years of work experience in Internal Auditing	▶ HaadThip Public Company Limited
	▶ PHITHAN PHANICH Group Company Limited
	▶ Ban Suzuki Group Company Limited
	▶ PHITHAN PHANICH Group Company Limited
	▶ A.P.K. FURNISHING PARAWOOD Company Limited.
	▶ 3KHomeBase Company Limited
Directorship position of the other company	
• Listed Companies	▶ None
• Non - Listed Companies	▶ None



Attachment 4

Report on the Board of Directors' Responsibilities for the Financial Report


To Shareholders

The Company's Board of Directors shall be responsible for the Financial Statements of HaadThip Public Company Limited and the Subsidiary, which have been prepared in accordance with the Financial Reporting Standards as per the Accounting Act B.E. 2543 and the requirements set forth by The Securities and Exchange Commission on the subject of Financial Reporting, under The Securities and Exchange Act B.E. 2535. The Company has considered and adopted the accounting policy deemed suitable for the Company and has put the policy to practice on a regular basis. In addition, essential information in the Notes to the Financial Statements have been disclosed in a sufficient manner.

The Company's Board of Directors has ensured that the Company has a sound Corporate Governance Policy; Anti-corruption Policy; and has established as well as intended to maintain the Risk Management System and Internal Control System, for the purpose of assurance that every accounting record is accurate, complete and timely, sufficient to preserve the Company's assets and prevent any fraudulence or anomalous operations deemed material.

As such, the Company has appointed an Audit Committee that comprises independent directors for the purpose of monitor and control; to perform the review of the Financial Statements in order to ensure reliable and accurate information in the Financial Statements; and to perform an assessment on Internal Control and Internal Audit System to ensure efficiency and effectiveness of the system. The opinions of the Audit Committee appear in the Audit Committee Report, which is presented in this Form 56-1 One Report.

The Board of Directors issues an opinion that the Company's Internal Control and Internal Audit System serves to assure that the Financial Statements of HaadThip Public Company Limited and the Subsidiary for the accounting year ended 31st December 2023 display the financial status, operating results and cash flows in an accurate manner, in all material respects, and appropriately in accordance with the Financial Reporting Standards. The Auditor has performed a review; disclosed opinions; and issued an unqualified opinion in the Audit Report, which is presented in this Form 56-1 One Report.

Gen. 

(Charan Kullavanijaya)

Chairman of The Board of Directors

Maj. Gen. 

(Patchara Rattakul)

Chief Executive Officer



Attachment 5

Sub-Committee Reports

Audit Committee Report

Dear Shareholders

The Audit Committee consists of 3 independent directors:

1. Mr. Prakit Pradipasen Chairman of the Audit Committee
2. Mr. Yanyong Maethapanich Member of the Audit Committee
3. Mr. Swin Chatsuwan Member of the Audit Committee

The Audit Committee has taken a role according to the scope of duties and responsibilities assigned by the Board of Directors, to review as well as to gear HaadThip Public Company Limited towards business operations in accordance with the principle of corporate governance; having in place a monitoring system to ensure law and rule-adding; having in place an adequate risk management and internal control system; being an organization with a focus on transparent operation, while at the same time, being considerate in trying to meet the needs of all groups of stakeholders in all aspects. All of which is in accordance with the Notification of the Securities and Exchange Commission (SEC) as well as the requirements set forth by the Stock Exchange of Thailand (SET).

In 2023, the Audit Committee had held a total of 5 official meetings in conjunction with the Auditor and Internal Auditor personal. The details of their attendance are as follows:

ชื่อ - นามสกุล	Position	No. of Attended Meeting
1. Mr. Prakit Pradipasen	Chairman of the Audit Committee	5
2. Mr. Yanyong Maethapanich	Member of the Audit Committee	5
3. Mr. Swin Chatsuwan	Member of the Audit Committee	2

The operation of the Audit Committee can be summarized as follows:

1. Auditing the Company's financial report preparation, including enquiring the business executives about preparing financial reports discretely, considering the Company's quarterly financial statement audits and its subsidiaries' related-party transactions and its annual financial statement audit report, by meeting with the Company's accounting executives and external auditors, in order to make consideration until they were pleased with the report on remarks obtained from auditing or reviewing financial statements. The meetings with external auditors were organized without being attended by any executives in charge until they found mutual agreement, before suggestions on improvement were made. It is evident that the 2023 quarterly and annual financial statements were correct and reliable, prepared in accordance with the Generally Accepted Accounting Principles and disclosing information adequately and appropriately

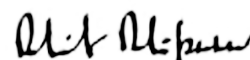
2. Supervising internal auditors' operation, including reviewing adequacy and appropriateness of the Company's and its subsidiaries' internal control system, by considering reports on internal audit results, in accordance with the 2023 annual audit plan and the remarks on the internal control system assessment results, pushing to elevate correction and prevention of problems or aspects detected at different processes by the Internal Audit Office systematically and sustainably, by allowing the Internal Audit Office to analyze problems and aspects and coordinate with the inspection body, in order to specify concrete and explicit methods of correcting and preventing the aspects, including giving advice and monitoring operation of correcting significant aspects, in order to create good governance and adequate internal control

3. Considering agreement with internal audit plans, work development plans, personnel circulation plans, personnel training and the 2023 annual budget of the Internal Audit Office and giving approaches to the Company's and its subsidiaries' internal audit, by focusing on the objectives and scope of auditing, to cover major risks of each unit and activity level, and specifying internal audit directions to support rapid changes.

4. The Audit Committee has considered selection, nomination and remuneration for auditors of the year 2023 by taking into consideration independence, operating results and appropriate remunerations for auditors, before proposing to the Board of Directors, who will then propose for approval from the Annual General Shareholders' Meeting thereafter.

5. Considering preparation of related-party transaction and disclose of information on related-party transaction in the Notes to the Financial Statements of both financial statements of the year and quarterly financial statements. The Audit Committee also provided an opinion in an independent manner on the acquisition or disposal of investment assets of major projects of the Company and its subsidiaries

The Audit Committee has performed its tasks with prudence, independence and issued opinions in a straightforward, transparent and auditable manner, according to Corporate Governance Principles. The Audit Committee is certain that the Company's financial statement and information disclosure are accurate, complete and valid, and in accordance with the Generally Accepted Accounting Principles. The Audit Committee is also certain that the Company's risk management and internal audit system are effective, suitable and adequate, and the internal audit activities are conducted in an independent manner; cover all of the operational processes with high risk, with an appropriate law-abiding and by-the-rule supervising system.



(Mr. Prakrit Pradipasen)

Chairman of the Audit Committee

Nomination and Remuneration Committee Report

Dear shareholders

The Nomination and Remuneration Committee comprises three members as follows:

- | | |
|-----------------------------|---|
| 1. Mr.Yanyong Maethapanich | Chairman of the Nomination and Remuneration Committee |
| 2. Mr.Phillip Hugo Gutsche | Member of the Nomination and Remuneration Committee |
| 3. Mrs.Parinya Chirabhandhu | Member of the Nomination and Remuneration Committee |

The Nomination and Remuneration Committee diligently fulfilled its duties as assigned by the Board of Directors, exercising due care and ensuring fairness and reasonableness.

In 2023, the Nomination and Remuneration Committee held 2 meeting, attending by all member of the Committee deliberating on the following matters:

1. The consideration involves the recruitment of directors to replace those who have resigned or reached the end of their term, which will subsequently be presented at the HaadThip Public Company Limited Board of Directors meeting for further submission for approval at the shareholder meeting.
2. The evaluation entails the recruitment of directors and suitable positions for sub-committees. This proposal will be presented at the HaadThip Public Company Limited Board of Directors meeting for further consideration of appointments.
3. The assessment encompasses the adequacy of annual remuneration for the board of directors and sub-committees, including directors' bonuses, meeting allowances, and any other pertinent compensation. The Nomination and Remuneration Committee will provide its opinions to the company's directors for presentation at the shareholder meeting. The remuneration has been meticulously considered to align with the scope of duties and responsibilities, be comparable to other listed companies on the Stock Exchange of Thailand within the same industry group and of similar size, and be at a sufficient level to attract and retain qualified directors, while also being in accordance with the company's operating results for the given year.

Furthermore, preceding the annual general meeting of shareholders, the Company will afford minority shareholders the opportunity to nominate individuals whom they consider suitable for selection as directors in advance, to be proposed for approval at the shareholder meeting. This process is conducted in accordance with the criteria and methods stipulated by the company, as published on the company's website www.haadthip.com. It was observed that no shareholders nominated individuals for selection as directors.



(Mr.Yanyong Maethapanich)
Chairman of the Nomination and
Remuneration Committee

Corporate Governance and Risk Management Committee Report

Dear Shareholders

The Corporate Governance and Risk Management Committee consisting of 3 members:

1. Maj. Gen. Patchara Rattakul Chairman of the Corporate Governance and Risk Management Committee
2. Mr. Yanyong Maethapanich Member of the Corporate Governance and Risk Management Committee
3. Mr. Dumrongrugs Apibalsawasdi Member of the Corporate Governance and Risk Management Committee

Miss Rattanawadee Kiatsimkul, Corporate Governance Director, acts as the secretary to the Committee.

In the year 2023, the Corporate Governance and Risk Management Committee held 2 meeting, attending by all member of the Committee.

Summary of the Duty Performance of the Corporate Governance and Risk Management Committee

The Board of Directors has appointed the Corporate Governance and Risk Management Committee, which aims to create transparency and standard operational frameworks. The duties and responsibilities of the Corporate Governance and Risk Management Committee cover several dimensions of HaadThip Public Company Limited, subsidiaries, the Board of Directors, executives, employees, shareholders, partners, and all the stakeholders in the value chain. The next operation will include clearer vision and directions in order to reach sustainable growth, which is part of the society, for which we need to be responsible.

It can be summarized as follows:

1 Report on corruption, complaint and risk assessment for problem protection

The operation of the assessment of corruption risk: Corporate Governance unit managed relevant departments and divisions to assess risk and manage risk control for corruption. The results of assessment showed that departments and divisions' operation had good internal control and strictly followed the Company's regulations.

2. The complaints through system and operation

The complaints through system and operation Between January 2023 - December 2023 was 25 complaints. All the complaints had been corrected and the reporters were satisfied.

1. Anti-Corruption Complaint: No anti-corruption complaint
2. Service Improvement and Working Procedure
 - 2.1 11 Complaint from internal employees. All complaints were corrected
 - 2.2 14 Complaints from external parties. All complaints were corrected

3. Report on the result of Corporate Governance and Anti-Corruption

1. In 2023, the Company received CGR (Corporate Governance Report of Thai Limited Companies) assessment "Excellent Level" from Thai Institute of Directors Association supported by Stock Exchange of Thailand. The score was 96%, higher than 87% of 2022. This was the first time, the Company received the highest level.
2. The Company has received the Prototypical Organization for Human Rights Award 2023 under the Big Business Category at the Excellent level, being the only private organization in Southern Thailand that received this award from the Department of Rights and Liberties Protection, Ministry of Justice.
3. The Company received "CAC Change Award 2023", consecutively for 2nd year from the Private Sector Collective Action Coalition Against Corruption (CAC) in collaboration with groups of private sector partners in anti-corruption and practice in good corporate governance which created transparency for all supply chains. The Company was 1 of 13 national organization, receiving this award.
4. The Company conducted staff commitment to the organization survey. In 2023, the staff gave overall staff commitment at 92.81%, higher than 71.25% of 2022. The results showed the improvement of staff commitment to the organization at satisfaction level.

Maj. Gen 
(Patchara Rattakul)

Chairman of the Corporate Governance and
Risk Management Committee

Sustainability Committee Report

Dear Shareholders

as of December 31, 2023, the Sustainability Committee is composed of six directors and senior executives, outlined as follows:

1. Maj.Gen.Patchara Rattakul	Chairman of the Sustainability Committee
2. Mr.Jose Henrique Zeinune	Member of the Sustainability Committee
3. Mr.Dumrongrugs Abhibalsawasdi	Member of the Sustainability Committee
4. Mr.Riccardo Vrodom Sucharittkul	Member of the Sustainability Committee
5. Ms.Ruttanawadee Kiatisimkul	Member of the Sustainability Committee
6. Mr.Siam Suwanrat	Member of the Sustainability Committee

The Sustainability Committee has diligently executed its responsibilities within the defined scope assigned by the Board of Directors. This entails establishing and assessing policies, objectives, and managerial frameworks across the organization, while maintaining continuous oversight and monitoring of sustainability operations.

In the fiscal year 2023, the Sustainability Committee convened for its official meeting once, on Wednesday, September 13, 2023, at 3:00 p.m. Notably, all committee members were in attendance during this session.


Key Activities and Performance of the Sustainability Committee in 2023

1. The committee deliberated on the establishment of pertinent policies and guidelines. A comprehensive sustainability committee charter was drafted and presented during the meeting. Additional topics addressed encompassed the rationale behind establishing the committee, elucidating its key objectives, specifying the qualifications expected of committee members, defining the duration of the committee's tenure in office, assigning responsibilities to the committee, managing meeting schedules, formulating appropriate agendas, and evaluating the committee's performance.
2. The committee conducted a comprehensive review of the 2023 Corporate Governance plan, focusing on the progress of key development projects including
 - CAC Collective Action Against Corruption
 - Risk Management
 - Woman Empowerment
 - PDPA and Good Governance etc.
3. The committee has established a sustainability development plan spanning from 2022 to 2025, actively overseeing its implementation and performance across climate, water replenishment, recycling projects, and packaging initiatives. This plan aligns with the policies of the Coca-Cola Business Group.
4. The committee has diligently monitored sustainability development activities, ensuring that performance is measurable and defined by clear and concrete indicators. It assessed current performance against the specified sustainability development plan to gauge success potential accurately.

5. The committee convened to collectively establish clear priorities and delineate the scope of work to enhance the efficiency and effectiveness of sustainable development efforts. These priorities are organized into six main groups to ensure alignment with overarching goals and plans. The six main groups of focus include:

- 5.1 Environment
- 5.2 Packaging
- 5.3 Water Management
- 5.4 Supply Chain
- 5.5 Products
- 5.6 Community and Society

The Sustainability Committee has diligently executed its responsibilities, upholding the tenets of good corporate governance. It expresses confidence in its implementation of robust sustainability management and development practices. This includes ensuring the dissemination of comprehensive, reliable, and strategically aligned information, as well as overseeing operations to ensure compliance with legal and regulatory frameworks.

Maj. Gen 
(Patchara Rattakul)
(Chairman of Sustainability Committee)



Attachment 6

Corporate Governance Policy and Code of Conduct

Please see Corporate Governance Policy and Code of Conduct at

 <https://www.haadthip.com/th/about/good-corporate-governance>



Attachment 7

Charters of Sub-Committees

Please see Charters of Sub-Committees at

 <https://www.haadthip.com/th/about/good-corporate-governance>

HAADTHIP



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HAADTHIP

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